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FILED FOR RECORD  
SKAMANIA CO. WASH  
BY SKAMANIA CO. TITLE

5/27/1978

CONTRACT OF SALE

Dec 14 3 48 PM '95

*P. Olsson*  
AUDITOR  
GARY M. OLSON

Opening Clause:

DATED: December 14, 1995

BETWEEN: Green Life Japan, Inc., a Japanese corporation, and Akira Fukatsu

("Seller")

AND: Skamania Coves Resort, a Washington LLC

("Purchaser")

Green Life Japan, Inc. is the contract purchaser of the real property located in Skamania County, Washington, and described in attached Exhibit A, subject to those encumbrances described in attached Exhibit B (the "Real Property") and the personal property described on attached Exhibit C (the "Personal Property") (together, the "Property"). Akira Fukatsu holds a first lien on Green Life Japan, Inc.'s interest in the Property to secure a debt of Green Life Japan, Inc. to Akira Fukatsu. Green Life Japan, Inc. and Akira Fukatsu join in this Contract and are herein jointly referred to as "Seller" except where expressly indicated herein.

Seller agrees to sell the Property to Purchaser and Purchaser agrees to buy the Property from Seller for the price and on the terms and conditions set forth below:

Tax Statement:

Until a change is requested, all tax statements shall be sent to:

Skamania Coves Resort, LLC  
45932 State Road 14  
Stevenson, Washington 98648

Section 1. Purchase Price; Payment

1.1 Total Purchase Price. Purchaser promises to pay Seller as the total purchase price for the Property the sum of \$1,000,000 (US). \$10,000 of the purchase price, receipt of which is hereby acknowledged, is allocated to the Personal Property and \$990,000 is allocated to the Real Property.

1.2 Payment of Total Purchase Price. The total purchase price shall be paid as follows:

17810  
REAL ESTATE EXCISE TAX

1 - CONTRACT OF SALE

DEC 14 1995  
PAID 12,672.00  
*Olsson*  
SKAMANIA COUNTY TREASURER

RDA\GREG1127.COM  
11/30/95 5:43pm

Reg. 11/2/95  
Indexed, Cir  
Indirect  
Filed  
Mailed

Gary M. Olsson, Skamania County Auditor  
Dec 12-14-95 Parcel # 5-8-3/-1200



**1.2.1 Down Payment and Deposit.** Purchaser has previously paid to Seller \$25,000 as a down payment on the purchase price. Purchaser has paid an additional \$5,000 to Skamania County Title Company as a further deposit ("Deposit").

**1.2.2 Assumption of Prior Lien.** Seller is the successor contract vendee under that certain Contract dated June 1, 1989, in favor of Nell L. Hill and R. Lee MacDonald as sellers and Ian M. Low and Aiko A. Low as purchasers and recorded June 2, 1989, in Book 114, Page 304, in Auditor's File No. 107127, Skamania County, Washington, as amended by that instrument dated October 31, 1989 and recorded November 16, 1989 in Book 116 at Page 733, Auditor's File No. 108266, Deed Records of Skamania County, Washington, and as further amended by that certain Second Amendment to Real and Personal Property Contract and Consent of Sellers to Purchaser's Assignment of Contract and Deed, dated November 16, 1995, hereinafter referred to as "the Prior Contract" (the "Prior Lien"). Seller represents and warrants to Purchaser that the current principal balance due under the Prior Lien is \$374,084.62, as of the date of this Contract. Purchaser shall pay any assumption, review, or consent fee or charge required by the holder of the Prior Lien. On the Closing Date Purchaser shall assume the obligations of Seller arising from and after the Closing Date under the Prior Lien and agrees to make all payments and to perform in full the terms and conditions of the Prior Lien. The amount of the unpaid principal balance plus all accrued but unpaid interest owing under the Prior Lien as of the Closing Date shall be applied at closing to the purchase price for the Property.

**1.2.3 Interest Rate and Scheduled Payment Dates.** Interest on the remaining balance of \$515,915.38 shall accrue at the rate of 6% per annum from the Closing Date.

The unpaid balance of the purchase price shall be paid in semi-annual payments of accrued but unpaid interest only, with the first installment due on June 1, 1996 and with subsequent installments due on the first day of each December and June thereafter, up to and including June 1, 2005. Each payment shall be applied first to interest to due date of payment, then to amounts past due to Seller under this contract other than principal or interest, and the balance to principal.

In addition to the above payments, Purchaser shall release the Deposit to Seller and make an additional payment in the amount of \$70,000 on or before December 15, 1995.

**1.2.4 Maturity Date.** All unpaid principal and all accrued but unpaid interest shall be paid in full on or before December 1, 2005.



**1.3 Prepayments and Discounts.** Purchaser may prepay all or any portion of the unpaid principal without penalty. All prepayments shall be applied first to accrued but unpaid interest to date, then to amounts due Seller under this Contract other than principal or interest, then to the last installments due under this Contract and shall not excuse Purchaser from making the regular payments due under this Contract until the remaining balance has been paid in full. Any prepayment of principal made on or before December 1, 1997, shall entitle Purchaser to a discount of twenty percent (20%) against the principal being prepaid. For example, if during that period Purchaser elects to prepay \$100,000 of principal, Purchaser shall pay Seller \$80,000 in cash. Any prepayment after December 1, 1997 and before December 1, 1998 shall entitle Purchaser to a ten percent (10%) discount against the amount of principal so prepaid.

**1.4 Payments to Third Parties.** If Purchaser fails to pay when due any amounts required under this Contract to be paid to third parties by Purchaser, Seller may, but shall not be obligated to, pay any or all such amounts, directly to such third parties or otherwise to cure any such failure. If Seller makes any such payments, the amounts so paid shall be immediately due and payable by Purchaser to Seller. Until paid, such amounts shall be secured by this Contract and shall bear interest at the rate of 10% per annum. Seller's election to make any payments pursuant to this paragraph shall not constitute a waiver of Seller's right to declare Purchaser to be in default of this Contract and to exercise any remedies described in Section 13.2.

**1.5 Place of Payments.** All payments to Seller shall be made to the escrow agent described in Section 3.4.

## Section 2. Taxes and Liens

**2.1 Obligation to Pay.** All real and personal property taxes and all governmental or other assessments levied against the Property for the current tax year shall be prorated between Seller and Purchaser as of the Closing Date. Purchaser shall pay when due all taxes and assessments that are levied against the Real Property after the Closing Date, but Purchaser may elect to pay taxes and assessments in accordance with any available installment method. Seller shall pay all excise taxes on this transaction.

**2.2 Right to Contest.** If Purchaser objects in good faith to the validity or amount of any tax, assessment, or lien, Purchaser, at Purchaser's sole expense, may contest the validity or amount of the tax or assessment or lien, provided that Seller's security interest in the Real Property is not jeopardized and as long as the same does not constitute a default under the Prior Lien. Purchaser



shall otherwise keep the Real Property free from all liens that may be imposed upon the Real Property after the Closing Date, other than the lien of current taxes not yet due and payable.

**2.3 Tax Statements.** Purchaser shall provide Seller with written evidence reasonably satisfactory to Seller that all taxes and assessments have been paid before delinquency. Purchaser shall submit this evidence upon the request of Seller, which request shall be made no more frequently than once each 90 days.

**2.4 Liens and Encumbrances.** Purchaser shall otherwise keep the Real Property free from all liens and encumbrances that may be lawfully imposed upon the Property after the date of closing.

**Section 3. Closing**

**3.1 Closing Date.** This transaction shall be closed on December 14, 1995. As used in this Contract the "Closing Date" means the date on which this Contract or a memorandum of this Contract is recorded. The closing shall occur at the offices of Skamania County Title Company, 43 Russell Street, Stevenson, Washington.

**3.2 Responsibility of Parties.** At closing, Seller shall have received a commitment for the issuance of a purchaser's policy of title insurance as described in Section 9.

**3.3 Prorates and Closing Costs.** Except as otherwise provided in this Contract, all items to be prorated shall be prorated as of the Closing Date.

Seller shall pay the following costs at Closing:

- (a) Real and personal property excise tax.
- (b) All costs of title insurance.
- (c) One-half (1/2) of the closing fee charged by Skamania County Title Company.
- (d) Costs and fees for transfer of titles to mobile homes.
- (e) Real estate commission on \$800,000 at the rate of seven percent (7%).

Purchaser shall pay the following costs at Closing:

- (a) Recording fees for this real estate contract.

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- (b) One-half (1/2) of the closing fee charged by Skamania County Title Company.
- (c) Escrow collection set-up and annual fees to Riverview Savings Bank, Stevenson, Washington.

The following shall be prorated at Closing:

- (a) 1995 real and personal property taxes.
- (b) Rental payments.

**3.4 Additional Sums to be Credited Against the Purchase Price at Closing.** In addition to the earnest money, the following shall be credited against the purchase price of the property at closing:

(a) Costs incurred by Purchaser for repairs to rental units on the Real Property in the sum of \$3,738.06.

(b) Costs for water testing by Southwest Washington Health District in the sum of \$ 400.00

**3.5 Collection Escrow.** Purchaser shall pay the cost of setting up a collection escrow and periodic collection account at Riverview Savings Bank in Stevenson, Washington. From payments received for Seller's account, Escrow Agent shall first pay \$5,000 to Mark Pengilly. All amounts collected for Seller thereafter shall first be paid to Akira Fukatsu until whichever first occurs: (1) this contract is paid in full or (2) Aki's lien in the amount of \$552,118 plus accrued and unpaid interest is satisfied. If the latter first occurs, then any remaining funds shall be paid to Green Life Japan, Inc.

**Section 4. Possession; Existing Tenancies**

**4.1 Possession.** Purchaser shall be entitled to possession of the Property from and after the Date of Closing, subject to the existing leases and tenancies affecting the Property; provided, however, that Seller and Seller's agents may enter upon the Real Property at reasonable times upon reasonable prior notice to Purchaser for the purpose of inspecting the Real Property. In no event shall Seller or Seller's agent interfere with the rights of any tenant of all or part of the Real Property.

**4.2 Assignment and Assumption of Leases; Existing Tenancies.** Seller shall deliver possession of the Property to Purchaser subject to existing tenancies and leases on the Property.



**Section 5. Maintenance; Alterations**

**5.1 Maintenance.** Purchaser shall keep all buildings, other improvements, and landscape now existing or that shall be placed on the Real Property in at least as good condition and repair as of the date possession is delivered to Purchaser, and shall not permit any waste or removal of the improvements, nor make any substantial improvements or alterations that reduce the value of the Real Property for security purposes without the prior written consent of Seller.

**5.1.1 Hazardous Substances.** Purchaser shall comply fully with all laws pertaining to the protection of human health and the environment, including but not limited to employee and community right-to-know laws and all laws regarding the use, generation, storage, transportation, treatment, disposal, or other handling of hazardous substances. Purchaser shall promptly advise Seller in writing of any hazardous substances regulated by such laws that are used, generated, manufactured, stored, transported, or otherwise handled on the Real Property. Purchaser shall exercise extreme care in handling any hazardous substances and shall not cause or permit hazardous substances to be spilled, leaked, disposed of, or otherwise released on the Real Property.

**5.2 Compliance with Laws.** Purchaser shall promptly comply and shall cause all other persons to comply with all laws, ordinances, regulations, directions, rules, and other requirements of all governmental authorities applicable to the use or occupancy of the Property and in this connection Purchaser shall promptly make all required repairs, alterations, and additions.

**Section 6. Insurance**

**6.1 Property Damage Insurance.** Purchaser shall procure and maintain policies of all-risk insurance with standard extended coverage endorsements on an actual cash value basis covering all improvements on the Property in an amount sufficient to avoid application of any coinsurance clause and with loss payable to the holder of the prior lien, Seller (under a standard mortgagee's clause) and Purchaser as their respective interests may appear. The policies shall be primary with respect to all covered risks, and shall be written in such form with such terms and by such insurance companies reasonably acceptable to Seller and the holders of the Prior Liens. Purchaser shall deliver to Seller certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of 10 days' written notice to Seller and the holder of the existing encumbrances. In the event of loss, Purchaser shall give immediate notice to Seller. Seller may make proof of loss if Purchaser fails to do so within 15 days of the casualty.



**6.2 Liability Insurance.** During the term of this Contract, Purchaser shall maintain public liability and property damage insurance with a combined single limit of not less than \$1,000,000, and \$300,000 for damage to property. Such insurance shall be written on an occurrence basis and shall be primary with respect to all other insurance covering any of the insured risks; shall cover all risks arising directly or indirectly out of Purchaser's activities on or any condition of the Property, whether or not related to an occurrence caused or contributed to by Seller's negligence; shall include a contractual liability clause to protect Purchaser against the claims of Seller on account of the obligations assumed by Purchaser under Section 7; and shall protect Seller and Purchaser against claims of third persons. Such policies shall be written in such form, with such terms and by such insurance companies reasonably acceptable to Seller and to the holders of the Prior Lien. Purchaser shall deliver to Seller certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of ten (10) days' written notice to Seller.

**6.3 Application of Proceeds.** All proceeds of any insurance on the Real Property shall be paid to and held by Seller's attorney, to be held in trust subject to the provisions of this paragraph. If Purchaser elects to restore the Property, Purchaser shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Seller. Upon satisfactory proof of expenditure and restoration of the Real Property, or any portion thereof or improvement thereon, to at least its condition and value immediately before the damage or destruction, Seller's attorney shall pay or reimburse Purchaser from the proceeds for the reasonable cost of repair or restoration to the extent of such proceeds received by Seller. If Purchaser elects not to restore the Property, Seller shall retain a sufficient amount of the proceeds to pay all amounts owed Seller under this Contract, and shall pay the balance to Purchaser. Any proceeds that Purchaser has not committed to the repair or restoration of the Real Property shall be used to prepay first accrued interest and then principal of Purchaser's indebtedness.

**6.4 Compliance with Prior Indebtedness.** During the period in which any Prior Lien described in Section 10 is in effect, Purchaser shall also comply with the insurance provisions contained in each such Prior Lien. If any proceeds from the insurance required under any Prior Lien become payable on loss, the provisions in this Contract for application and division of proceeds shall apply only to that portion of the proceeds not payable to the holders of such Prior Liens.



**Section 7. Indemnification**

**7.1 Purchaser's Indemnification of Seller.** Purchaser shall forever indemnify and hold Seller harmless and, at Seller's election, defend Seller from and against any and all claims, losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with Purchaser's possession or use of the Property, Purchaser's conduct with respect to the Property, or any condition of the Property to the extent the same arises from or after the Closing Date and is not caused or contributed to by Seller or Seller's breach of any warranty or representation made by Seller in this Contract. In the event of any litigation or proceeding brought against Seller and arising out of or in any way connected with any of the above events or claims, against which Purchaser agrees to defend Seller, Purchaser shall, upon notice from Seller, vigorously resist and defend such actions or proceedings in consultation with Seller's legal counsel reasonably satisfactory to Seller.

**7.2 Seller's Indemnification of Purchaser.** Seller shall forever indemnify and hold Purchaser harmless and, at Purchaser's election, defend Purchaser from and against any and all claims, losses, damages, fines, charges, actions, or other liabilities of any description arising out of or in any way connected with Seller's possession or use of the Property, Seller's conduct with respect to the Property, or any condition of the Property to the extent the same exists on the Closing Date and is not caused or contributed to by Purchaser, or Purchaser's breach of any warranty or representation made by Purchaser in this Contract. In the event of any litigation or proceeding brought against Purchaser and arising out of or in any way connected with any of the above events or claims, against which Seller agrees to defend Purchaser, Seller shall, upon notice from Purchaser, vigorously resist and defend such actions or proceedings in consultation with Purchaser through legal counsel reasonably satisfactory to Purchaser.

**Section 8. Representations, Warranties, and Covenants of Seller**

**8.1 Covenants of Title.** Seller warrants that Seller is the owner of good and marketable title to the Property free of all liens and encumbrances except those referred to on attached Exhibit B and will defend such title from the lawful claims of persons claiming superior title.

**8.2 Authority.** Seller represents that Seller has obtained all requisite authorizations for the execution and delivery by Seller of this Contract and the performance of the transactions contemplated by this Contract, and that the execution and delivery of this Contract are made pursuant to such authorizations.



**8.3 No Brokers.** Seller has not employed any broker or finder in connection with the transactions contemplated by this Contract except Dan Huntington of Stan Wiley Realtors, and has taken no other action, which would give rise to a valid claim against Purchaser for a brokerage commission, finder's fee, or other like payment.

**8.4 Hazardous Substances.** To the best of Seller's knowledge, no Hazardous Substance has been disposed of, spilled, leaked, or otherwise released on, under, or from property adjacent to or in the immediate vicinity of the Property. No wastes, including without limitation garbage and refuse, have been disposed of on the Property. The term Hazardous Substance means any hazardous, toxic, radioactive, or infectious substance, material, or waste as defined, listed, or regulated under any law pertaining to the protection of human health or the environment, and includes without limitation petroleum oil and its fractions.

**8.5 Compliance with Laws.** Seller is not aware of and has not received notice of any past violation of any applicable federal, state, or local statutes, regulations, or ordinances.

**8.6 No Warranties; As Is.** Seller makes no other warranties, express or implied, as to the Property or the condition or state of repair thereof, it being understood by all parties that the Property will be conveyed to the Buyer AS IS.

**Section 9. Title Insurance (Purchaser's Policy)**

Seller shall furnish at Seller's expense a purchaser's title insurance policy from Skamania County Title Company ("Title Company") in the amount of the portion of the purchase price allocable to the Real Property within 10 days after the Closing Date, insuring Purchaser against loss or damage sustained by Purchaser by reason of the unmarketability of Seller's title, or liens or encumbrances affecting the Property, excepting matters contained in the usual printed exceptions in such title insurance policies, those created or suffered by Purchaser, and those referred to on attached Exhibit B.

**Section 10. Existing Encumbrance**

**10.1 Obligation to Pay.** Purchaser will make all payments under the Prior Lien when due and will obey and observe all of the terms of such instrument. If either Seller or Purchaser receives notice from or on behalf of the holder of the Prior Lien of breach of any of the terms of the Prior Lien, the party receiving the notice shall immediately forward a copy of such notice to the other party.



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**10.2 Failure to Pay.** In the event Purchaser fails to perform any obligation or fails to make any payment required by the Prior Lien, Seller shall have the right to correct the default. Seller's reasonable costs in performing Purchaser's obligation with interest at the rate of 10% per annum from the date of expenditure shall be immediately paid by Purchaser.

**10.3 Obligations of Purchaser.** Purchaser shall not cause or suffer any act or failure to act that if attributed to Seller might cause a default under any of the provisions of the Prior Lien.

**10.4 Additional Requirements.** To the extent required of Seller under the Prior Lien, Purchaser shall (1) maintain with the holder of the Prior Lien any additional reserves or insurance coverage required to be maintained by Seller; (2) provide Seller and the holder of the Prior Lien with any notices, certificates, or policies of insurance required under the Prior Lien; and (3) repair and maintain the Real Property, provide operating reports, and apply casualty and condemnation proceeds first in the manner required in the Prior Lien and then in compliance with the provisions contained in this Contract.

**Section 11. Deed, Bill of Sale and Deed of Reconveyance**

**11.1 Deed and Reconveyance.** Green Life Japan, Inc. shall at closing deliver to the Title Company to be held until fulfillment of this Contract, a good and sufficient warranty fulfillment deed conveying the Real Property free and clear of all liens and encumbrances, except those referred to on attached Exhibit B and all liens or encumbrances suffered by or placed upon the Real Property by Purchaser. Akira Fukatsu shall at closing deliver to the Title Company a quitclaim deed and instructions for reconveyance of the Deed of Trust evidencing Akira Fukatsu's first lien. Upon payment of the total purchase price for the Property as provided in this Contract and performance by Purchaser of all other terms, conditions, and provisions of this Contract, the Title Company is hereby instructed to record the warranty fulfillment and quitclaim deeds and instruct the trustee of Akira Fukatsu's Deed of Trust to deliver and record a reconveyance deed.

**11.2 Bill of Sale.** A Bill of Sale and the title to the Personal Property shall be executed by Seller and delivered to escrow at closing.

**Section 12. Partial Release.** Purchaser may divide the property into two parcels and to sell the most Westerly residence located on the subject real property, along with all land lying West of a North/South line running through a point 30 feet East of the most Easterly side of said residence, provided that the proceeds of sale are used exclusively for the following types of capital improvements on the remainder of the Real Property governed



by this contract: road work, septic systems, electrical work, development of a potable water system and the construction of cabins and facilities to be used in common by all occupants of the property.

**Section 13. Default**

**13.1 Events of Default.** Time is of the essence of this Contract. A default shall occur under any of the following circumstances:

(1) Failure of Purchaser to make any payment within fifteen (15) days after it is due.

(2) Any default under the Prior Lien attributable to Purchaser.

(3) Failure of Purchaser to perform any other obligations contained in this Contract within thirty (30) days after notice from Seller specifying the nature of the default or, if the default cannot be cured within thirty (30) days, failure within such time to commence and pursue curative action with reasonable diligence.

(4) Dissolution, termination of existence, insolvency on a balance sheet basis, or business failure of Purchaser; the commencement by Purchaser of a voluntary case under the federal bankruptcy laws or under other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Purchaser in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Purchaser to the appointment of receiver, trustee, or custodian of Purchaser or of any of Purchaser's property; an assignment for the benefit of creditors by Purchaser or Purchaser's failure generally to pay its debts as such debts become due.

(5) The making or suffering by Purchaser of a fraudulent transfer or conveyance under applicable federal or state law; concealment by Purchaser of any of its property from creditors; the making or suffering by Purchaser of a preference within the meaning of the federal bankruptcy law; or the imposition of a lien through legal proceedings or distraint upon any of the property of Purchaser.

(6) The failure of Purchaser to perform any term, condition, or provision of or any default attributable to Purchaser under any existing encumbrance.

**13.2 Remedies on Default.** In the event of a default, Seller may take any one or more of the following steps:



- (1) Seller may foreclose this Contract by suit in equity.
- (2) Seller may specifically enforce the terms of this Contract by suit in equity.
- (3) The Seller may cancel and render void all rights, titles and interests of the Purchaser and their successors in this contract and in the property (including all of the Purchaser's then existing rights, interests and estates therein and improvements thereon) by giving a Notice of Intent to Forfeit pursuant to RCW 61.30.040-070, and said cancellation and forfeiture shall become effective if the default therein specified has not been fully cured within ninety (90) days thereafter and the Seller records a Declaration of Forfeiture pursuant to RCW 61.30.040-070. Upon the forfeiture of this contract the Seller may retain all payments made hereunder by the Purchaser and may take possession of the property ten (10) days following the date this contract is forfeited and summarily eject the Purchaser and any person or persons having possession of the said property by, through or under the Purchaser who 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 remains in possession of the property more than ten (10) days after such forfeiture, the Purchaser or such person or persons, shall be deemed tenants at will of the Seller and the Seller shall be entitled to institute an action for summary possession of the property, and may recover from the Purchaser or such person or persons in any such proceedings the faire 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.

**13.3 Remedies Not Exclusive.** The remedies provided above shall be nonexclusive and in addition to any other remedies provided by law.

**Section 14. Waiver**

Failure of either party at any time to require performance of any provision of this Contract shall not limit the party's right to enforce the provision, nor shall any waiver of any breach of any provision constitute a waiver of any succeeding breach of that provision or a waiver of that provision itself.

**Section 15. Successor Interests**

This Contract shall be binding upon and inure to the benefit of the parties, their successors, and assigns; but no interest of Purchaser shall be assigned, subcontracted, or otherwise transferred, voluntarily or involuntarily, without the prior



written consent of Seller (which consent shall not be unreasonably withheld) and the consent of the holders of any superior encumbrances. Consent by Seller to one transfer shall not constitute consent to other transfers or waiver of this section. Any attempted assignment in violation of this provision shall be void and of no effect with respect to Seller. Purchaser and any other person at any time obligated for the performance of the terms of this Contract hereby waive notice of and consent to any and all extensions and modifications of this Contract or the release of any person or persons from liability under the Contract granted by Seller. Any such extensions or modifications or releases will not in any way release, discharge, or otherwise affect the liability of any person at any time obligated under this Contract.

**Section 16. Prior Agreements**

This document is the entire, final, and complete agreement of the parties pertaining to the sale and purchase of the Property, and supersedes and replaces all prior or existing written and oral agreements (including any earnest money agreement) between the parties of their representatives relating to the Property.

**Section 17. Notice**

Any notice under this Contract shall be in writing and shall be effective when actually delivered in person or three (3) days after being deposited in the U.S. mail, registered or certified, return-receipt requested, postage prepaid and addressed to the party at the address stated in this Contract or such other address as either party may designate by written notice to the other.

**Section 18. Applicable Law**

This Contract has been entered into in Washington and the Property is located in Washington. The parties agree that the laws of the state of Washington shall be used in construing the Contract and enforcing the rights and remedies of the parties.

**Section 19. Costs and Attorney Fees**

**19.1 No Suit or Action Filed.** If this Contract is placed in the hands of an attorney due to a default in the payment or performance of any of its terms, the defaulting party shall pay, immediately upon demand, the other party's reasonable attorney fees, collection costs, costs of either a litigation or a foreclosure report (whichever is appropriate), even though no suit or action is filed thereon, and any other fees or expenses incurred by the nondefaulting party.



**Section 20. Number, Gender, and Captions**

As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Contract.

**Section 21. Survival of Covenants**

Any covenants the full performance of which is not required before the closing or final payment of the purchase price and delivery of the deed shall survive the closing and the final payment of the purchase price and the delivery of the deed and be fully enforceable thereafter in accordance with their terms.

**Section 22. Condition of Property**

Purchaser accepts the land, buildings, improvements, and all other aspects of the Property in their present condition, and any personal property sold under this Contract, AS IS, WHERE IS, including latent defects, without any representations or warranties from Seller or any agent or representative of Seller, expressed or implied, except to the extent expressly set forth in this Contract. Purchaser agrees that Purchaser has ascertained, from sources other than Seller or any agent or representative of Seller, the condition of the Property and its suitability for Purchaser's purposes, the applicable zoning, building, housing, and other regulatory ordinances and laws, and that Purchaser accepts the Property with full awareness of these ordinances and laws as they may affect the present use or any intended future use of the Property, and Seller has made no representations with respect to such condition or suitability of the Property or such laws or ordinances.

**Section 23. Purchaser Contingency**

Notwithstanding anything in this Agreement to the contrary, on or before December 15, 1995, (1) Purchaser must approve any exception by Skamania County Title relating to Green Life Japan, Inc.; and (2) the Notice of Intent to Forfeit in Book 150, Page 8 and the Lis Pendens between Green Life USA, Inc. filed August 15, 1995, Case No. 95-2-00108-6 shall be resolved to Purchaser's satisfaction. If either of the above two conditions are not satisfied, Purchaser may cancel and void this contract and have no further responsibility under any of its terms and Purchaser's Earnest Money shall be refunded. Purchaser's December 15, 1995 payment shall be conclusive evidence of Purchaser's satisfaction or waiver of the above two conditions.



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THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

**Closing Clause:**

IN WITNESS WHEREOF, the parties have caused this Contract to be executed in duplicate as of the day and year first above written.

**Seller:**

GREEN LIFE JAPAN, INC.,  
a Japanese corporation

By: Akira Fukatsu  
Akira Fukatsu, President

Akira Fukatsu  
Akira Fukatsu, Individually

**Purchaser:**

SKAMANIA COVES RESORT,  
a Washington LLC

By: Steve Sweitzer  
Steve Sweitzer  
Its: Member

By: Dan Huntington  
Dan Huntington  
Its: Member

By: Frederick Johnston  
Frederick Johnston  
Its: Member



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ACKNOWLEDGMENTS

INDIVIDUAL

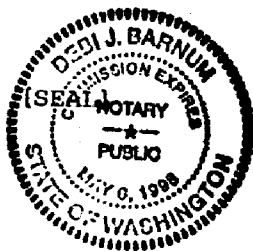
STATE OF WASHINGTON )

County of SKAMANIA )

ss:

On December 14, 1995, personally appeared AKIRA FUKATSU, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and that by his signature on the instrument the person executed the instrument as his voluntary act and deed.

WITNESS my hand and official seal.



*Debi J. Barnum* DEBI J. BARNUM  
Notary Public for: WASHINGTON  
My commission expires: MAY 6, 1998

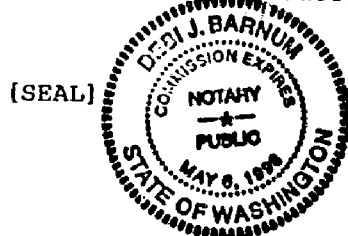


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REPRESENTATIVE CAPACITY

STATE OF WASHINGTON )  
County of SKAMANIA ) ss:

On December 14, 1995, personally appeared AKIRA FUKATSU, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as the President of Green Life Japan, Inc., a Japanese corporation, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

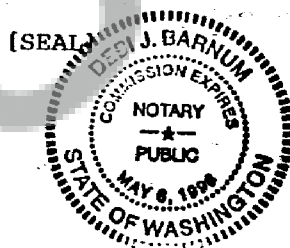


WITNESS my hand and official seal.

Debi J. Barnum DEBI J. BARNUM  
Notary Public for: WASHINGTON  
My Commission Expires: MAY 6, 1998

STATE OF WASHINGTON )  
County of SKAMANIA ) ss:

On December 14, 1995, personally appeared STEVE SWEITZER, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity as the Member of Skamania Coves Resort, a Washington LLC, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

Debi J. Barnum DEBI J. BARNUM  
Notary Public for: WASHINGTON  
My Commission Expires: MAY 6, 1998



EXHIBIT A      BOOK 154 PAGE 223

All that portion of Government Lots 2, 3 and 4, in Section 31, Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington, which lies South of the South line of that tract conveyed to the State of Washington by Deed recorded June 18, 1929, Auditor's File No. 15726, Skamania County Deed Records.

EXCEPTING a strip of land 100 feet in width conveyed to the Portland and Seattle Railway Company, by Deed Recorded February 15, 1906 in Book 1, Page 450, Skamania County Deed Records.

ALSO EXCEPT that portion of the Easterly 75 feet of Government Lot 4, lying Southerly of State Highway 8 and Northerly of the tract conveyed to the Portland and Seattle Railway Company.

Gary H. Martin, Skamania County Auditor  
Date 12-11-93  
Permit # 3-8-26-1200  
*(Signature)*



EXHIBIT "B"

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1. The rights of fishing, navigation and commerce in the State of Washington, the Federal Government, and the Public in and to that portion thereof lying below the ordinary high water mark of the Columbia River.
2. Any adverse claims based upon the assertion that Columbia River has moved.
3. Covenants regarding the location, construction, maintenance and operation of the Portland and Seattle Railway Company, as contained in deed recorded February 15, 1906 in Book I, Page 450, Skamania County Deed Records.
4. Right of Way Easement for Electric Transmission and Distributing Lines, including the terms and provisions thereof, in favor of Northwestern Electric Company, recorded June 4, 1912 in Book N, Page 576, Skamania County Deed Records.
5. Flowage Easement, including the terms and provisions thereof, in favor of the United States of America, recorded June 25, 1936 in Book Y, Page 548, Auditor's file No. 22502, Skamania County Deed Records.
6. Easement including the terms and provisions thereof, in favor of the United States of America, recorded October 2, 1962 in Book 50, Page 398, Auditor's File No. 60601, Skamania County Deed Records.
7. Right of Way Easement for Utilities, including the terms and provisions thereof, in favor of Public Utility District No. 1 for Skamania County, recorded October 1, 1970 in Book 62, Page 188, Auditor's File No. 72661, Skamania County Deed Records.
8. Flowage Easement, including the terms and provisions thereof, in favor of the United States of America, recorded December 20, 1974 in Book 68, Page 19, Auditor's File No. 78560, Skamania County Deed Records.
9. Contract, including the terms and provisions thereof, between HELEN A. BROOKS, a widow, as seller, and N.L. HILL, an unmarried woman, and R. LEE MACDONALD, an unmarried woman, as purchaser, dated August 30, 1977, recorded September 2, 1977, in Book 73, Page 425, in Auditor's File No. 84810, Skamania County Deed Records. Excise Tax Receipt No. 5086.



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By mesne assignments, the last of which was recorded April 7, 1987 in Book 104, Page 750, Auditor's File No. 102955, Sellers interest under said contract has been conveyed to JOYCE CHURCHMAN, HERMAN SCHUH, YOLO ST. JOHN, FRANCIS SCHUH and LEONA BOUWENS, each as to an undivided 1/6th interest and LINCOLN E. GOULD as to the remaining undivided 1/12th interest.

The interest of Herman Schuh was assigned to RODNEY C. SCHUH, a single person, by instrument recorded August 24, 1995 in Book 152, Page 35.

10. Contract, including the terms and provisions thereof, between NELL L. HILL and R. LEE MACDONALD as seller, and IAN M. LOW and AIKO A. LOW, husband and wife, as purchaser, dated June 1, 1989, recorded June 2, 1989 in Book 114, Page 304, in Auditor's File No. 107127, Skamania County Deed Records. Excise Tax Receipt No. 12765.

By Amendment recorded November 16, 1989, in Book 116, Page 733, Auditor's File No. 108266, Skamania County Deed Records, it was mutually agreed the purchasers undersigned contract shall be IAN M. LOW and AIKO A. LOW, husband and wife, as to an undivided  $\frac{1}{2}$  interest, and JAMES L. LANKFORD and PATRICIA M. LANKFORD, husband and wife, as to the remaining undivided  $\frac{1}{2}$  interest.

By instrument Recorded September 3, 1991, in Book 124, Page 889, Auditor's File No. 111969, Skamania County Deed Records, the purchasers interest in said Contract was assigned to GREEN LIFE JAPAN INC. a Japanese Corporation.

11. Deed of Trust, including the terms and provisions thereof, executed by GREEN LIFE JAPAN, INC., a corporation as grantor, to MARK E. PENGILLY as trustee for AKIRA FUKATSU, as Beneficiary, dated February 28, 1995, recorded March 8, 1995 in Book 148, Page 583, in Auditor's File No. 121777, Skamania County Mortgage Records, given to secure the payment of \$552,118.00.



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## EXHIBIT C

## Personal Property

1969, 44' x 12' Fleet Mobile Home No. 419JS9895.

1967, 52' x 10' Fltwd. Mobile Home No. NH6ES5793.

1973, 64' x 14' Pondr. Mobile Home No. B1468MR4743.

1969, 45' X 12' Buddy Mobile Home No. B1701C.

~~1969, 44' x 12' Fleet Mobile Home No. 419JS9895.~~~~1967, 52' x 10' Fltwd. Mobile Home No. NH6ES5793.~~  
~~1973, 64' x 14' Pondr. Mobile Home No. B1468MR4743.~~  
~~1969, 45' X 12' Buddy Mobile Home No. B1701C.~~

All plans, drawings, models, permits, certificates, documents and other work product, prepared by Giffen, Bolte, Jurgens Architects and its employees, agents, representatives and subcontractors, for Green Life USA Inc. and/or Green Life Japan, Inc., and pertaining to the real and personal property described in that certain Contract of Sale, of even date herewith, between Green Life Japan, Inc., a Japanese corporation, and Akira Fukatsu, as Seller, and Skamania Coves Resort, a Washington LLC, as Purchaser, as recorded in the Skamania County Deed Records.