

Doc # 2004152993  
Page 1 of 21  
Date: 05/17/2004 05:01P  
Filed by: MICHAEL & KELLY LINDELL  
Filed & Recorded in Official Records  
of SKAMANIA COUNTY  
J. MICHAEL GARVISON  
AUDITOR  
Fee: \$39.00

Return Address:

Michael Lindell and Kelly Lindell  
9508 SE French Rd  
Vancouver, WA 98664

<i>Document Title(s) or transactions contained herein:</i>	
Real Estate Purchase & Sale Agreement	
<i>GRANTOR(S) (Last name, first name, middle initial)</i>	
Hall, Scott A. etux	
<input type="checkbox"/> Additional names on page _____ of document.	
<i>GRANTEE(S) (Last name, first name, middle initial)</i>	
Lindell, Michael etux	
<input type="checkbox"/> Additional names on page _____ of document.	
<i>LEGAL DESCRIPTION (Abbreviated: i.e., Lot, Block, Plat or Section, Township, Range, Quarter/Quarter)</i>	
SE4 NW4 Section 18 T1N R5EWM	
<input checked="" type="checkbox"/> Complete legal on page <u>7</u> of document.	
<i>REFERENCE NUMBER(S) of Documents assigned or released:</i>	
<input type="checkbox"/> Additional numbers on page _____ of document.	
<i>ASSESSOR'S PROPERTY TAX PARCEL/ACCOUNT NUMBER</i>	
01-05-18-0-0-0302-00	
<input type="checkbox"/> Property Tax Parcel ID is not yet assigned	
<input checked="" type="checkbox"/> Additional parcel numbers on page <u>1</u> of document.	
The Auditor/Recorder will rely on the information provided on the form. The Staff will not read the document to verify the accuracy or completeness of the indexing information.	

## REAL ESTATE PURCHASE AND SALE AGREEMENT

Effective Date:	2/16/04
Parties:	Scott A. Hall and Wendy D. Hall, husband and wife, hereinafter referred to as SELLERS;  and  Michael Lindell and Kelly Lindell, husband and wife, hereinafter referred to as BUYERS.

### Property:

The property and improvements that are the subject of this agreement, hereinafter referred to as PREMISES, is that real property located in Skamania, Washington, Tax Lot # 01051800030100 and Tax Lot # 01051800030200 and more particularly described on Exhibit A attached hereto. V0 G.S.

### Terms:

1. Purchase and Sale. BUYERS agree to buy and SELLERS agree to sell the PREMISES on the terms that are set forth below.

2. Purchase Price. The total purchase price shall be \$520,000.00. This shall be paid as follows:

- a. \$120,000.00 paid at closing
- b. Real Estate Contract in the amount of \$400,000.00 as set forth in paragraph 8 below.

3. Conditions to Purchase. BUYERS' obligation to purchase the PREMISES is conditioned on the following:

- a. BUYERS' review and approval of the physical condition of the PREMISES.
- b. BUYERS' review and approval of all zoning, land use, building, environmental, and other statutes, rules, or regulations applicable to the PREMISES.
- c. BUYERS' determination made in BUYERS' sole discretion as to the feasibility of building a suitable residence on the PREMISES based upon but not limited to the requirements of Skamania County, Washington; The Columbia River Gorge Commission; and the United States Forrest Service.

BUYERS shall have until the date which is 90 days from the date of this agreement to review and approve the matters described in this paragraph and to notify SELLERS in writing of their approval and desire to proceed with the sale. If BUYERS give no notice or if BUYERS give notice of the desire not to proceed with the purchase of the PREMISES, this agreement shall be terminated and neither party shall have any further rights or obligations under this agreement.

4. Conditions of Title. Upon the execution of this agreement, BUYERS shall order a preliminary title report or commitment together with copies of all underlying documents relating to title exceptions referred to therein. Upon receipt of said report, BUYERS shall promptly deliver the same to SELLERS. Within twenty-one calendar days from BUYERS' receipt of the preliminary title report, BUYERS shall advise SELLERS a written statement of objections to any matter raised in the title report. Should BUYERS fail to notify SELLERS of any objections, BUYERS shall be deemed to have approved the matters contained as exceptions on Schedule B of the preliminary commitment. If BUYERS tenders a written statement of objections, SELLERS shall have twenty-one calendar days to remove or cure the objections made by BUYERS. If SELLERS fail to remove or cure those objections in that period of twenty-one days, BUYERS shall have the option of terminating this agreement by delivering written notice thereof to SELLERS within twenty-one calendar days after conclusion of SELLERS period in which to remove or cure objections. If no such notice is timely given by BUYERS, BUYERS will be deemed to have waived all objections.

5. Option to Purchase. SELLERS hereby grant to BUYERS an option to purchase the PREMISES for an initial term of (90) days from the date of mutual acceptance of this agreement ("Initial Option Period"). The Option Period may be extended by BUYERS for an additional (18) months upon written notice of the BUYERS to the SELLERS of the BUYERS wish to extend the Option Period, and payment in the sum of Twenty Thousand Dollars \$20,000.00 ("Option Fee"), prior to the end of the Initial Option Period.

6. Default of BUYERS. If the conditions to BUYERS' obligation to close this transaction are satisfied or waived by BUYERS and BUYERS nevertheless fails, through no fault of SELLERS, to close the purchase of the PREMISES, SELLERS' sole remedy shall be the termination of this agreement during the Initial Option Period. After the Initial Option Period the SELLERS sole remedy shall be to retain the Option Fee paid by BUYERS. In the event SELLERS fail through no fault of BUYERS to close the sale of the PREMISES, BUYERS shall be entitled to pursue any remedies available at law or in equity, including without limitation, the remedy of specific performance.

7. Closing of Sale. This sale shall be closed on or before (18) months after the Initial Option Period. Closing shall be at Skamania County Title Company, Stevenson, Washington. At closing, BUYERS and SELLERS shall deposit with Skamania County Title Company all documents and funds required to close the transaction in accordance with the terms of this agreement. At closing, SELLERS shall deliver a certification in a form approved by BUYERS that SELLERS are not a "foreign person" as such term is defined in the Internal Revenue Code and the Treasury Regulations promulgated under the Internal Revenue Code. If SELLERS are a

foreign person and this transaction is not otherwise exempt from FIRPTA regulations, Skamania County Title Company shall be instructed by the parties to withhold and pay the amount required by law to the Internal Revenue Service.

8. Conveyance. At closing, the parties shall execute a Real Estate Contract in the form attached as Exhibit B. The Contract shall provide that the remaining portion of the purchase price \$400,000.00 shall be paid by BUYERS to SELLERS. It further shall provide for interest on the declining balance of the purchase price at the rate of (7%) per annum. It shall require BUYERS to make monthly payments of interest and principal in amounts necessary to amortize interest and principal over a thirty-year term. It shall also provide that all sums for interest and principal shall be due no later than twenty years from the date of closing. It shall further allow BUYERS to prepay interest and principal as they may desire without penalty.

9. Closing Costs and Prorations. SELLERS shall pay all title insurance fees and ½ escrow fees, and all other closing costs customarily apportioned to sellers in real estate transactions in Skamania County, Washington. BUYERS shall pay all real estate excise tax, and ½ escrow fee. Real property taxes for the tax year in which the transaction is closed, assessments, personal property taxes, rents on existing tenancies paid for the month of closing, and utilities shall be prorated as of the date of closing. Prepaid rents, security deposits, and other unearned or refundable deposits regarding any tenancies shall be assigned and delivered to BUYERS at closing. Prior to closing, BUYERS and SELLERS shall sign all notices and documents necessary to include but not be limited to the Notice of Continuation on a Real Estate Excise Tax Affidavit or otherwise filed for continuation of the specified assessment or program to avoid removal of the PREMISES upon closing of the sale.

10. Cooperation. The parties recognize that BUYERS' purpose in entering into this agreement is to build a desirable residence on the PREMISES. In order for the review of all contingencies as set out in paragraphs 3 and 4 above, by BUYERS, SELLERS shall cooperate in all respects of any kind whatsoever in the effort to obtain any and all land use, special use, variances, building, or other jurisdictional permits (Permits) necessary to build a desired residence on the PREMISES under the existing zoning designation. This shall include, without limitation, the signing of all documents as may be required to obtain such Permits, the allowing of access to the property at reasonable times by BUYERS for purposes connected to obtaining the Permits, and providing any and all information that may be required to advance obtaining Permits. BUYERS shall pay all expenses of obtaining Permits, except those occasioned by SELLERS failure to comply with their obligations under this agreement.

11. Possession. BUYERS shall be entitled to exclusive possession of the PREMISES, subject to tenancies existing as of the closing date, on the closing date.

12. Condition of PREMISES. SELLERS represent that, to the best of SELLERS' knowledge, there are no pending or threatened notices of violation of any laws, codes, rules, or regulations applicable to the PREMISES and SELLERS are not aware of any such violations or any concealed material defects in the PREMISES. Risk of loss or damage to the PREMISES shall be SELLERS' until closing and BUYERS' at and after closing. Except for SELLERS'

representations set forth in this paragraph, BUYERS shall acquire the PREMISES "as is" with all faults and BUYERS shall rely on the results of his own inspection and investigation. It shall be a condition of BUYERS' obligation to close and of SELLERS' right to retain the Option Fee as of closing, that all of the SELLERS' representations and warranties stated herein are materially true and correct on the closing date. SELLERS' representations and warranties stated herein shall survive closing.

13. Personal Property. To the extent the manufactured /mobile home located on the PREMISES and the equipment currently owned by the SELLERS on the PREMISES including but not limited to the following: Cat, Trailers, Flatbed Truck, etc. amounts to personal property it is included within this sale.

14. Assignment. BUYERS may not assign his rights under this agreement without the SELLERS' prior written consent.

15. Notices. Any notice required or permitted in or related to this agreement must be in writing and signed by the party to be bound. Any notice will be deemed given when personally delivered or delivered by facsimile, or will be deemed given on the day following delivery of the notice by reputable overnight courier through mailing in the U.S. mails, postage prepaid, by the applicable party to the address of the other party shown in this agreement, unless that day is a Saturday, Sunday, or legal holiday, in which event it will be deemed delivered on the next following business day. If any deadline under this agreement for delivery of a notice or payment is a Saturday, Sunday, or legal holiday, such last day will be deemed extended to the next following business day. Notices to SELLERS shall be transmitted to:

Scott and Wendy Hall  
96.50 State Route 14

Goldendale, Washington 98620

Any notice to BUYERS shall be addressed to:

Michael and Kelly Lindell  
25709 NE 18<sup>th</sup> Court

Ridgefield, WA 98642

16. Dispute Resolution. In the event of a suit or action of any nature whatsoever, including without limitation any proceeding under Title 11 of the United States Code is instituted, or the services of an attorney are retained to interpret or enforce any provision of this agreement or with respect to any dispute relating to this agreement, the prevailing party shall be entitled to recover from the losing party its attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith. In the event of suit, action, arbitration, or other proceeding, the amount thereof shall be determined by the judge and shall include fees and expenses incurred on any appeal or




review. Any such suit shall be brought in the Superior Court of the State of Washington for the County of Skamania.

17. Miscellaneous. Time is of the essence of this agreement. The facsimile transmission of any signed document including this agreement shall be the same as delivery of an original. At the request of either party, the party delivering a document by facsimile will confirm facsimile transmission by signing and delivering a duplicate original and all of which together shall constitute one and the same agreement. This agreement contains the entire agreement and understanding of the parties with respect to the subject matter of this agreement. It supercedes all prior and contemporaneous agreements between them with respect thereto. This agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. All persons signing this agreement warrants that such person has full right and authority to enter into this agreement and to bind the party for whom such agreement signs this agreement to the terms and provisions of this agreement. This agreement shall not be recorded unless the parties otherwise agree.

18. Governing Law. This agreement is made and executed under, and in all respects shall be governed and construed by the laws of the State of Washington.

19. Gender and Number. For the purposes of this agreement, the masculine includes the feminine and the singular includes the plural.

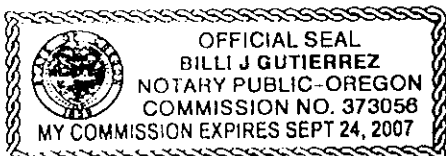
  
\_\_\_\_\_  
Scott A. Hall

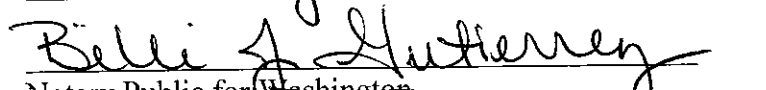
  
\_\_\_\_\_  
Wendy D. Hall

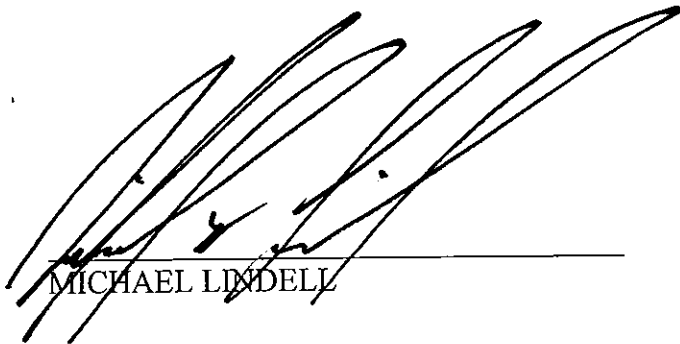
Oregon  
STATE OF WASHINGTON )  
Wasco )ss.  
County of Skamania )

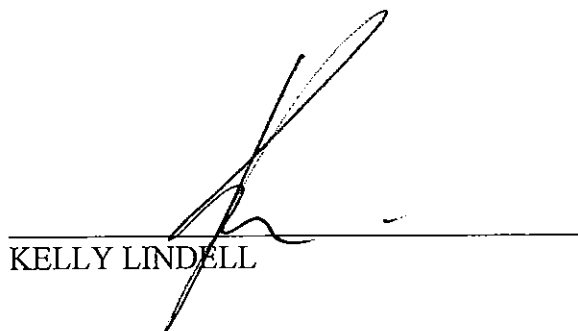
I certify that I know or have satisfactory evidence that Scott A. Hall and Wendy D. Hall signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 17<sup>th</sup> day of February, 2004.



  
\_\_\_\_\_  
Notary Public for Washington  
My appointment expires: Oregon Sept. 24, 2007


  
MICHAEL LINDELL

  
KELLY LINDELL

*Oregon*  
STATE OF WASHINGTON )  
*Multnomah* ) ss.  
County of ~~Skamania~~ )

I certify that I know or have satisfactory evidence that MICHAEL LINDELL and KELLY LINDELL signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 17<sup>th</sup> day of February, 2004.

  
Notary Public for Washington *Oregon*  
My appointment expires: 8/23/05



## Parcel 1

The Southeast Quarter of the Northwest Quarter of Section 18, Township 1 North, Range 5 East of the Willamette Meridian, Skamania County, Washington:

EXCEPT the following described tract of land:

BEGINNING at the Southwest corner of the Southeast Quarter of the Northwest Quarter of said Section 18; thence East along the center line running East and West through the said Section 18 approximately 830 feet to a point 10 feet West of Creek; thence North 305 feet; thence West 20° North to a point 628 feet North of the Place of Beginning; thence South to the Place of Beginning.

ALSO the West Half of the Southwest Quarter of the Northeast Quarter of Section 18, Township 1 North, Range 5 East of the Willamette Meridian.

EXCEPT the East 211 feet thereof.

ALSO including a 60 foot wide easement for ingress, egress and utilities between the East line of the above described property and the East line of said Section 18, the South line of said 60 foot easement being the South line of the Northeast Quarter of said Section 18.

ALSO including a easement for ingress, egress and utilities over, under and across the East 30 feet of the Northeast Quarter of the Southeast Quarter of Section 18, Township 1 North, Range 5 East of the Willamette Meridian, lying between the North line of said Northeast Quarter of the Southeast Quarter and the North line of the County Public Right of Way known as Turk Road.

ALSO including a easement for utilities over, under and across the West 20 feet of the East Half of the Northwest Quarter of the Southeast Quarter of said Section 18, lying between the North line of the South Half of the South Half of the East Half of the Northwest Quarter of the Southeast Quarter of said Section 18 and the North line of the Southeast Quarter of said Section 18.

ALSO SUBJECT TO and including easements of record.

Gary H. Martin, Skamania County Assessor

Date 5/17/04 Parcel # 1-5-18-301+  
C.S. 302

## Parcel 2

Beginning at a point on the North line of the Southeast quarter of Section 18, Township 1 North, Range 5 East, W.M., Skamania County, Washington, which point is South 88°45'02" East, 445.17 feet from the center of said Section 18; thence South 88°45'02" East, 211 feet; thence South 01°30'22" West, 559.26 feet to a point on the West line of the East Half of the Northwest quarter of the Southeast quarter of said Section 18; thence South 88°47'04" East, 134.44 feet; thence North 08°35'35" East, 1453.75 feet; thence South 38°24'53" East, 915.00 feet; thence North 01°32'15" East, 437.00 feet to the North line of the South Half of the Northeast quarter of said Section 18; thence North 88°24'53" West, 1459.31 feet; thence South 01°32'15" West, 1322.36 feet to the point of beginning.

SUBJECT TO and TOGETHER WITH easements and restrictions of record.



# ATTACHMENT B

AFTER RECORDING MAIL TO:

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City, State: \_\_\_\_\_

REAL ESTATE CONTRACT (LONG FORM) I. SPECIFIC TERMS	
A. PARTIES, PROPERTY AND PURCHASE PRICE	
Date:	_____
Seller:	_____
Seller's Address:	_____ _____ _____
Purchaser:	_____
Purchaser Address:	_____ _____ _____
Real Property Legal Description: (or Abbreviated Legal)	_____ _____ _____ _____ _____ _____ _____
Tax Account No.:	_____
Personal Property:	_____ _____ _____
Title to be Conveyed:	_____
Form of Deed:	_____
Title Exceptions (include leases):	_____ _____ _____ _____ _____ _____ _____
Amount Which Has Been Paid to Seller:	\$ _____ US
Balance due:	\$ _____ US
Purchaser to Pay to Seller:	\$ _____ US
Purchaser to Pay Directly to Holders of Prior Encumbrances:	\$ _____ US
TOTAL PURCHASE PRICE:	\$ _____ US
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B. TERMS OF DEFERRED AMOUNT TO BE PAID TO SELLER

Interest Rate: \_\_\_\_\_ percent per annum  
Installment Periods: \_\_\_\_\_  
First Installment Date: \_\_\_\_\_  
Installment Amounts: \$ \_\_\_\_\_ US  
Final Payment Date: \_\_\_\_\_  
Default Rate: \_\_\_\_\_ percent per annum  
Late Charge: \_\_\_\_\_  
Prepayment Provisions: \_\_\_\_\_  
Prepayment Premium: \_\_\_\_\_  
Address to Which Installment  
Amounts are to be Sent: \_\_\_\_\_

C. TERMS OF PRIOR ENCUMBRANCES

Prior Encumbrance:  
To be paid by: \_\_\_\_\_ Seller \_\_\_\_\_ Purchaser  
Current Holder: \_\_\_\_\_  
Original Principal Amount: \$ \_\_\_\_\_ US  
Interest Rate: \_\_\_\_\_ percent per annum  
Current Principal Balance: \$ \_\_\_\_\_ US  
Payment Dates: \_\_\_\_\_  
Amount of Each Payment: \$ \_\_\_\_\_ US  
Secured by: \_\_\_\_\_  
Dated \_\_\_\_\_  
Recorded on \_\_\_\_\_  
Recording No. \_\_\_\_\_

Prior Encumbrance:  
To be paid by: \_\_\_\_\_ Seller \_\_\_\_\_ Purchaser  
Current Holder: \_\_\_\_\_  
Original Principal Amount: \$ \_\_\_\_\_ US  
Interest Rate: \_\_\_\_\_ percent per annum  
Current Principal Balance: \$ \_\_\_\_\_ US  
Payment Dates: \_\_\_\_\_  
Amount of Each Payment: \$ \_\_\_\_\_ US  
Secured by: \_\_\_\_\_  
Dated \_\_\_\_\_  
Recorded on \_\_\_\_\_  
Recording No. \_\_\_\_\_

To be paid by: \_\_\_\_\_ Seller \_\_\_\_\_ Purchaser

Current Holder: \_\_\_\_\_

Original Principal Amount: \$ \_\_\_\_\_ US

Interest Rate: \_\_\_\_\_ percent per annum

Current Principal Balance: \$ \_\_\_\_\_ US

Payment Dates: \_\_\_\_\_

Amount of Each Payment: \$ \_\_\_\_\_ US

Secured by: \_\_\_\_\_

Dated \_\_\_\_\_

Recorded on \_\_\_\_\_

Recording No. \_\_\_\_\_

Portion of Purchase Price  
Allocated to Real Property: \$ \_\_\_\_\_ US

Portion of Purchase Price  
Allocated to personal Property \$ \_\_\_\_\_ US

Miscellaneous: \_\_\_\_\_  
(Identify any Exhibits Attached) \_\_\_\_\_

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

PURCHASER

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STATE OF WASHINGTON )  
 ) ss  
COUNTY OF CLARK )

I certify that I know or have satisfactory evidence that \_\_\_\_\_  
the person(s) who appeared before me, and said person(s) acknowledged that \_\_\_\_\_ signed this instrument and  
acknowledged it to be \_\_\_\_\_ free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: \_\_\_\_\_

Notary Public in and for the State of Washington  
Residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

THE ABOVE SPACE RESERVED FOR NOTARY SEAL

STATE OF WASHINGTON )  
 ) ss  
COUNTY OF CLARK )

I certify that I know or have satisfactory evidence that \_\_\_\_\_  
the person(s) who appeared before me, and said person(s) acknowledged that \_\_\_\_\_ signed this instrument and  
acknowledged it to be \_\_\_\_\_ free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: \_\_\_\_\_

Notary Public in and for the State of Washington  
Residing at \_\_\_\_\_  
My appointment expires: \_\_\_\_\_

THE ABOVE SPACE RESERVED FOR NOTARY SEAL

## 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. 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 of this contract 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. **PRIOR ENCUMBRANCES.** If this contract is being executed subject to any Prior Encumbrances, the Purchase Price is partially comprised of the principal due under the Prior Encumbrances as of the date hereof. The Seller hereby represents to the Purchaser that no Prior Encumbrance provides that it will be come in default or accelerated or the interest rate thereon adjusted above the interest rate stated therefor in the Specific Terms hereof because of the execution, delivery, and recordation of this contract. The Purchaser agrees with the Seller to comply with all of the terms of the Prior Encumbrances, including such obligations as may be in addition to those contained in or which may otherwise limit its rights under this contract, and the Purchaser hereby agrees to defend and indemnify the Seller from and against all losses, claims, demands, and allegations arising as a result of the Purchaser's failure to comply with the Prior Encumbrances. In the event either of the parties hereto gives or receives a written notice to or from the holder of a Prior Encumbrance it will promptly transmit a copy of such notice to the other. The Specific Terms of this contract indicate the person responsible for tendering the amounts due to the holders of the Prior Encumbrances, and the two subparagraphs (a) and (b) immediately following this paragraph apply to said payments to be made by the Purchaser or the Seller, respectively.

(a) **Purchaser Pays Directly.** If it is indicated in the Specific Terms of this contract that the Purchaser is to pay any Prior Encumbrances directly to the holder thereof, the Purchaser hereby assumes and covenants and agrees with the Seller to make such payments on their respective due dates and any failure of the Purchaser to do so shall constitute a default under this contract. Said payments shall be in addition to the Installment Amounts. The Purchaser shall be solely responsible for paying any reserve amounts for taxes, insurance premiums, or other purposes to which the holder of any Prior Encumbrance is entitled.

(b) **Seller Pays If Purchaser Is Not In Default.** If it is indicated in the Specific Terms of this contract that the Seller is to continue to pay any Prior Encumbrances, the Installment Amounts include amounts to be used to make payments on said Prior Encumbrances (Wrapped Encumbrances). The Purchaser, in addition to the installments of principal and interest herein above provided for, and to the extent required from time to time by the holders of the Wrapped Encumbrances, shall pay to the Seller with and in addition to each of the Installment Amounts hereunder an amount sufficient to satisfy all tax, insurance, and other reserve deposits to which such holder is entitled and which are payable prior to the next due date of said installments. So long as the Purchaser is in no manner in default hereunder, the Seller shall make or cause to be made all of the payments of principal, interest, and any reserve deposits required under the Wrapped Encumbrances as they become due and in accordance with their respective payment terms. The Purchaser shall not attempt to make any payment directly to the holder of any Wrapped Encumbrance or to in any way modify the terms thereof prior to the satisfaction of that portion of the indebtedness evidenced hereby which is to be retained by the Seller, provided, however, if the Seller fails to make any payment when due under any Wrapped Encumbrance the Purchaser may upon first giving the Seller 15 days' written notice of its intent to do so and if such failure is not rectified within that period, pay the delinquent installment, and any penalties, late charges, or additional interest due thereon and such other costs that are required by the holder of such Wrapped Encumbrance to cure such default directly to the holder of the Wrapped Encumbrance in default and deduct from the Installment Amounts next due under this contract the amounts so expended, together with interest thereon at the Default Rate from the date of such payment to the date the Purchaser is reimbursed or the due date of the sum against which such offset is taken. Said notice period may be reduced if necessary to avoid the exercise of any remedy by the holder of such Wrapped Encumbrance. In the event the Seller fails to make such payments on three or more occasions, the Purchaser shall have the right to make all ensuing payments due under any of the Wrapped Encumbrances directly to the holder thereof and to deduct the same from the next Installment Amounts due under this contract by the amounts paid. The Seller agrees to indemnify the Purchaser from and against all costs and expenses, including attorneys' fees, which are reasonably incurred by the Purchaser as a result of any failure of the Seller to perform its obligations under this subparagraph. The Seller shall promptly reimburse the Purchaser for any credit or reimbursement which the Seller receives from the holder of any Wrapped Encumbrance which results from any excess payment by the Purchaser into a tax, insurance, or other reserve account.

After the Purchaser has paid the Seller all amounts due under this contract, excepting only the nondelinquent principal balances due under the Prior Encumbrances to be paid directly by the Purchaser, the Purchaser shall make all remaining payments due under said Prior Encumbrances to the holders thereof and shall indemnify and hold the Seller harmless from any failure or alleged failure on the part of the Purchaser to comply with any of the terms, covenants, or conditions thereof, and the Seller shall be subrogated to the rights of the holders of said Prior Encumbrances to the extent the Seller makes any further payments thereon as a result of the Purchaser's default. The covenants in this paragraph shall survive the delivery of the Seller's deed and bill of sale to the Purchaser.

4. PREPAYMENTS. If Prepayment is permitted by all Prior Encumbrances, or if the holders of all the Prior Encumbrances consent thereto, the Purchaser may prepay the entire amount remaining due hereunder when that portion of the prepayment which is due to the Seller is accompanied by all interest then due to the Seller and any Purchaser Price Prepayment Premium. If any prepayment to the holder of any Prior Encumbrance also requires a Prepayment Premium, the Purchaser shall pay the same if it is imposed as a result of the Purchaser's prepayment or default. If any Prior Encumbrance does not permit prepayment and the holder thereof does not consent thereto, and if the Purchaser desires to prepay that portion of the Purchase Price which is not encompassed by the principal balance then due under said Prior Encumbrance, the Purchaser may prepay to the Seller the balance of that portion of the Purchase Price which is not then due to the holder of said Prior Encumbrance; provided, however, said partial prepayment need not be accepted by the Seller unless the Purchaser expressly assumes and agrees in writing to pay and perform the then remaining obligations secured by said Prior Encumbrance. If this contract is so partially prepaid, the Purchase Price Prepayment Premium, if otherwise calculated on the entire Purchase Price, shall be reduced to correspond to the ratio of the amount being prepaid to the Seller to the total amount of the then outstanding principal balance of the Purchase Price. The Seller shall not be required to accept any prepayments which do not conform to the requirements of this paragraph unless and to the extent prepayment is otherwise provided for in the Specific Terms of this agreement. Except when otherwise stated herein, any Prepayment Premium provided for in this contract shall apply to any sums received by the Seller in advance of their due date, whether voluntarily made by the Purchaser or as a result of the exercise of any remedy by the Seller, provided, however the Prepayment Premium shall not be required for any voluntary prepayment made within 30 days of the Final Payment Date if preceded by not less than ten days' written notice.

5. 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.

6. POSSESSION. From and after the date of this contract, and subject to the rights of tenants under the leases identified as Title Exceptions, 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.

7. 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.



8. 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 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.

The Purchaser shall, at its own cost and expense, keep the improvements on the Property insured against loss or damage by fire, windstorm, and all other casualties covered by "all risk" endorsements available in the state of Washington and with such additional coverages or endorsements as the Seller may reasonably require from time to time. Said insurance shall be in an amount not less than the greater of (a) the amount of coverage necessary to avoid the insured being treated as a co-insurer, or (b) 120% of the then unpaid principal balance of the Purchase Price for the Property, or (c) such higher amount as may be required by the terms of any Prior Encumbrance, and shall be placed with an insurance company authorized to do business in the state of Washington. All insurance policies shall expressly include the Seller as a named insured, shall contain a waiver of subrogation clause (to the extent reasonably obtainable), and shall include provisions to the effect that they cannot be materially modified or canceled prior to Seller receiving not less than 20 days' advance written notice, and accurate and complete copies thereof shall be deposited with the Seller upon written request.

In the event of loss or damage to the Property which is required to be insured hereunder, and except as otherwise required by any Prior Encumbrance and the then holder thereof, the insurance proceeds shall, at the option of the Purchaser, be used to repair, rebuild, or replace all improvements and personal property which may have been destroyed or damaged to the extent necessary to restore and replace them to substantially the same condition which existed immediately prior to the casualty, subject to such modifications as may then be required by law or to which the Seller agrees in writing. Immediately upon receipt, all insurance proceeds, together with any other sums required to complete the repairs and restorations, shall be placed in a construction disbursement account with an escrow agent or other persons jointly designated by the Seller and the Purchaser and shall be disbursed periodically in amounts corresponding to the percentage of completion of repairs; provided, however, in the event this contract is forfeited or foreclosed, any portion of such proceeds remaining after the payment of properly incurred repair and replacement costs due as of the date of such forfeiture or foreclosure sale shall be immediately paid to the Seller. No construction may be commenced until all sums required to pay the cost thereof have been deposited in the disbursement account. The expenses of said disbursement account and in obtaining percentage completion certificates shall be paid by the Purchaser, and the Purchaser shall be responsible for the depositing in the disbursement account the amounts necessary to pay all costs of repairs, reconstruction, and replacements which are not covered by the insurance proceeds. In the event the Purchaser desires to construct improvements which are materially different from those so damaged or destroyed, it shall first obtain the Seller's written consent. All repairs and replacements shall be commenced within 60 days following the date the Purchaser elects to reconstruct and shall be continually pursued with due diligence. Subject to the terms of any Prior Encumbrances, any casualty insurance proceeds which are not used to pay for repairs or replacements permitted by the terms of this paragraph shall be paid to the Seller and applied against the principal balance last due hereunder, and the Seller shall accept the same notwithstanding any prepayment restriction in this contract. The Prepayment Premium shall not be added to any payments required by this paragraph.

Is (a) a Prior Encumbrance and the then holder thereof does not permit the use of casualty insurance proceeds for repairs, or (b) the Purchaser does not elect to repair the damage, or (c) the Seller's consent to materially different improvements is not waived or given, or (d) the Purchaser does not deposit into the disbursement account all sums in excess of available insurance proceeds required for reconstruction by the date construction is required to commence, or (e) construction is not commenced when required or not continuously pursued (subject to delays beyond the reasonable control of the Purchaser), the Seller may require that all casualty insurance proceeds be immediately paid to the Seller (without addition of the Prepayment Premium) or to the holder of a Prior Encumbrance having a valid claim thereto which is prior to the Seller's. The Purchaser shall make the elections provided for in this paragraph within 60 days following the date of casualty, and the Seller shall respond in writing to a written request to construct materially different improvements within 20 days after said request. Any failure of the Purchaser to make timely and any such election shall enable the Seller to apply the insurance proceeds against the principal last due under this contract, and any failure of the Seller to respond timely to any such request shall be deemed an approval thereof.

Damage to or destruction of the Property or any portion thereof shall not constitute a failure of consideration or provide a basis for the rescission of this contract, nor shall such circumstances relieve the Purchaser of its obligation to pay the remaining Installment Amounts when due. In the event of any failure of the Purchaser to obtain or pay timely any premiums for any insurance required by this paragraph, and if such failure is not rectified within any required notice period for remedial advances under this contract, the Seller may require the Purchaser to deposit with each Installment Amount an amount reasonably estimated by the Seller to be necessary to discharge the next ensuing premiums for said policies, said estimates to be adjusted by the Seller upon receipt of the premium invoices to reflect the actual amount of such liabilities. The payments so made 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 thereon, if any, being added to the sums so held; provided, however, this account may be commingled with any tax reserve account under this contract.

9. 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.

10. **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.

11. **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.

12. **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 with items of comparable worth and utility. The Purchaser shall replace any item of 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.

13. **ALTERATIONS AND LIENS.** Except as otherwise permitted in this contract for construction following an insured casualty or condemnation, or except for any maintenance or repairs required by this contract, the Purchaser shall not, without the prior written consent of the Seller, make or permit any alterations, additions, or improvements to or of the Property, or to any portion thereof, nor permit any demolition or removal of any such improvements. The Seller may not reasonably withhold its consent if the action proposed will not materially effect the value of the Property or violate any applicable laws or ordinances, or the terms of this contract, or of any Prior Encumbrances. 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.

14. **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.

15. **AGRICULTURAL PROVISIONS.** If, in the Specific Terms of this contract, the parties have indicated that the Property is to be used principally for agricultural or farming purposes, the Personal Property shall include all crops grown, growing, and to be grown on the Real Property and all natural increases thereof, all before and after the severance and removal. The Purchaser shall continuously pursue good and prudent farming operations upon the Property in accordance with the practices of good husbandry, soil conservation, tree and plant pruning, harvesting, and the customary manner in which agricultural property is properly and productively farmed and managed in the county in which the Property is situated. The Purchaser will take such precautions as are necessary to prevent undue depletion of the soil from erosion by wind or water and shall use reasonable efforts to keep the Property free from plants, insects, and animals which may have a deleterious effect upon the Property, crops, or livestock. The Purchaser will keep the Property properly irrigated and properly employ such herbicides, pesticides, and fertilizers as may be reasonably necessary to comply with the provision of this paragraph and its applicable legal requirements. The Purchaser shall not remove or destroy any existing fruit trees or plants, improvements, irrigation fixtures, or equipment, fences, storage houses or sheds, barns, silos, or except as otherwise permitted in this contract for Personal Property, any tools, equipment, or machinery which may be employed in connection with the agricultural use of the Property, without the prior written consent of the Seller, and the Purchaser shall make such improvements to the Property as are reasonably necessary to properly irrigate, drain, and farm the Property in accordance with the provisions hereof.

16. **CONDEMNATION.** If the Property or any part thereof is condemned or taken by power of eminent domain by any public or quasi-public authority, 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.

The 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 the writing and except to the extent necessitated by the condemnation or then applicable law, none of the replacements or restoration 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 the Property by condemnation shall constitute a failure of the consideration or provide a basis for rescission of this contract.

17. **TRANSFER OF PURCHASER'S INTEREST.** If the Purchaser's title to the Property or any portion thereof is conveyed to any person, the Seller may, at its option: (a) following any required notice, declare the entire remaining balance of the Purchase Price and all accrued and unpaid interest thereon immediately due and payable, or (b) adjust the interest rate on this contract effective as the date of the transfer. The Seller may elect one of the said options by written notice to the Purchaser within 15 days after being advised in writing of the sale and the transferee, and if such election is not made within that period the above rights for the transaction so described shall be deemed waived. If the Seller elects to adjust the interest rate, and subject to any restrictions and prepayment requirements contained in any Prior Encumbrance, the entire outstanding balance of this contract may be prepaid at the closing of such conveyance with the Prepayment Premium. For the purposes of this contract, a "conveyance" of the "Purchaser's title" shall include a transfer by real estate contract, vendee's assignment, deed, forfeiture, foreclosure, sheriff's sale, trustee's sale, deed in lieu of any such involuntary sale, lease with purchase option or for a term in excess of three years (including extension options), and if the Purchaser is a corporation or partnership, a voluntary or involuntary transfer or series of transfers of any shares or partnership interests which results in a change 50% or more of the voting control of such entity (from the composition thereof as of the date of this contract). A conveyance of the Purchaser's title shall not include: (a) a lease or other transfer of possession of the Property for three years or less without options to purchase the Property or any interest therein; (b) a transfer to the Purchaser's spouse or children; (c) a transfer by devise, descent, or operation of law resulting from the death of any person comprising the Purchaser; (d) a transfer into an inter vivos trust in which the Purchaser is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the Property; or (e) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or property settlement agreement in which a spouse of any person comprising the Purchaser retains or acquires the Property. No transfer of the Property or any portion thereof shall release the transferring person from liability on this contract unless such release is expressly acknowledged by the Seller in writing.

18. **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.

19. **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 so do (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 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 attorney's 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) Entry Upon Agricultural Property. In the event the parties hereto have indicated in the Specific Terms of this contract that the Property is to be used principally for agricultural or farming purposes, the Seller shall have the right, following three days' prior written notice to the Purchaser, to enter upon the Real Property from time to time to perform any one or more of the functions required of but not performed by the Purchaser in the agricultural provisions of this contract and to tend and care for any livestock and harvest, transport, store, and sell any of the crops which may be grown on the Property in such manner as the Seller shall elect. For the purposes of this paragraph, the Purchaser grants to the Seller a security interest in all of its seeds and crops, and the products and proceeds thereof, which may now or at any time hereafter be located upon or in the Property or be harvested therefrom. The exercise of this right shall not affect the liabilities of the Purchaser; provided, however, should the Seller receive any sums as a result of its actions hereunder, it shall apply the same to discharge the costs and expenses, including attorneys' fees, reasonably incurred in taking said action, together with interest thereon at the Default Rate from the date of expenditure to and including the date said proceeds are received, and the balance of such proceeds shall be applied against the Purchase Price principal last due and owing hereunder, including any Prepayment Premium applicable thereto. In the absence of receiving any such proceeds, or if and to the extent the same are insufficient to reimburse the Seller for such amounts and interest, the Purchaser shall reimburse the Seller for such amounts and interest on demand, with said interest being calculated to and including the date of payment;

(g) 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;

(h) 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

(i) 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 the Property as provided by law.

20. 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.

21. 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 or of a similar action against or affect in 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 or 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.

22. 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.

23. **COSTS AND ATTORNEYS' FEES.** If either party shall be in default under this contract, the non defaulting party shall have the right, at the defaulting party's expense, to retain an attorney or collection agency to make any demand, enforce any remedy, or otherwise protect or enforce its rights under this contract. The defaulting party hereby promises to pay all costs 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.

24. **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.

25. **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.

26. **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.

27. **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.

28. **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.

29. **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.

30. **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 benefited 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.



31. **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.

32. **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.

33. **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.