

WHEN RECORDED RETURN TO:

Frank + Carolyn Yela
14803 SE McMillinray Blvd.
Vancouver WA 98683

REAL ESTATE EXCISE TAX

27287

OCT 11 2007

Weber Gunn, PLLC
7700 N.E. 26th Avenue
Vancouver, WA 98665-0672

PAID $2240.71 + 437.75 = 2678.46$
Audrey Fahmi Security
SKAMANIA COUNTY TREASURER

SALE CONTRACT

Grantor(s):

FRANKLIN L. YELA AND CAROLYN D. YELA,
husband and wife

Grantee(s):

JASON PEARL AND PATRICIA PEARL,
husband and wife

Legal Description:

Site # 54, being part of Government Lots 4, 7 and 8,
Section 26, Township 7 North, Range 6 East of the
Willamette Meridian, Skamania County, Washington.

Assessor's Property Tax
Parcel or Account Number:

96000054000000

Cross References:

Skamania County Auditor's Book 111, Page 354 and
Volume 130, Page 563

1. Effective Date: October 1, 2007 Skamania County Assessor
Date 10-11-07 Parcel 96000054000000
AD
2. Seller: FRANKLIN L. YELA AND CAROLYN D. YELA,
husband and wife
3. Purchaser: JASON PEARL AND PATRICIA PEARL,
husband and wife
4. Property:

A. Property. Subject to the conditions set out in the parties' Purchase and Sale Agreement, incorporated herein by this reference, the Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller, Sellers' interest in the cabin-type residence located at

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Site # 54, being part of Government Lots 4, 7 and 8, Section 26, Township 7 North, Range 6 East of the Willamette Meridian, Skamania County, Washington (hereinafter the "Property").

5. **Purchase Price.** The purchase price of the Property is \$ ONE HUNDRED SEVENTY-FIVE THOUSAND & 00/100 Dollars (\$175,000.00) and shall be paid as follows:

A. Down Payment. \$ SEVENTY-FIVE THOUSAND & 00/100 Dollars (\$75,000.00) in cash payable on the closing date.

B. Principal Balance. The principal balance of ONE HUNDRED THOUSAND & 00/100 Dollars (\$100,000.00), and interest on the declining balance thereof at the rate of five percent (5%) per annum from September 1, 2007, in equal monthly installments of \$ FIVE HUNDRED THIRTY-SIX & 82/100 Dollars (\$536.82), commencing October 1, 2007, and continuing on the same day of each month thereafter until paid in full. The aforementioned monthly installment amount is based upon a thirty (30) year amortization schedule. PROVIDED, HOWEVER, the entire balance of principal and interest shall be due in full not later than September 1, 2012.

C. Interest. Interest shall be first deducted from each installment payment and the balance applied in reduction of principal. Interest shall be calculated and deducted on a per day basis, using a 365-day year, from date of payment of last installment to date of payment of current installment.

D. Notwithstanding the foregoing, each payment shall be first applied against any costs, expenses and late charges for which Purchaser is then liable hereunder, secondly against interest, and thirdly against the principal.

E. All payments shall be made at the place designated by Seller.

F. Purchasers may pay sums in excess of the monthly installment amount to be applied to the principal balance, or pay the entire principal balance and accrued interest, without penalty. PROVIDED, HOWEVER, any such partial prepayments of principal will not result in the deferment of any subsequent monthly installment.

6. **Late Charges.** In the event that the Seller receives any payment more than ten (10) days after the due date, there shall be due a late charge of FIFTY AND 00/100 Dollars (\$50.00). The late charge will be computed monthly on all sums which are delinquent.

7. **Retention of Title, Security and Bill of Sale.** When Purchaser has fully performed this contract, Seller shall execute and deliver to Purchaser a Bill of Sale in fulfillment of this contract, conveying the Property free and clear of all encumbrances except any encumbrances agreed to by Purchaser and any encumbrances that may accrue hereafter due to any person other than the Seller. Purchaser's rights to the Property shall be subject to all applicable terms and conditions of this contract. Seller represents and warrants, jointly and severally, that neither them or their representatives or agents have hired, or suffered any individual or business to perform any construction or improvements at or upon the subject property at any time within the one hundred twenty (120) day period ending on the date of the execution of this contract.

8. **Possession.** Purchaser shall be entitled to possession of the Property from and after the date of this contract.

9. **Assessments and Taxes.** Purchaser shall pay before delinquency all taxes, assessments, utility charges, and operation or construction charges not now delinquent, and levied or assessed against the Property and hereafter falling due. In the event Seller pays any taxes, assessments, rents or charges to be paid by Purchaser, Purchaser shall promptly reimburse Seller. Upon failure of

Purchaser to pay any taxes, assessments or charges to be paid by Purchaser, Seller may, at their option, declare a forfeiture of this contract or pay and discharge any such tax, assessment, or charge and any amount so paid shall be added to and be secured in the same manner as the unpaid purchase price, bear interest at the rate of twelve percent (12%) per annum, and be due immediately.

10. **Acceptance of Premises.** The Purchaser agrees that a full inspection of the Property has been made. Purchaser hereby accepts the Property in its present condition and AS IS and Purchaser 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, or the location of the boundary lines. The acreage is uncertain. The Seller will not participate in a survey of the Property.

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. **Condemnation.** If the Property or any part shall be taken and condemned, such taking shall not be a ground for rescission of this contract. The award made for the taking shall be deemed to be the property of Purchaser, but shall be paid to Seller to apply upon the purchase price, not exceeding any amounts then unpaid hereunder. Seller, Purchaser or both may appear and defend or prosecute in any condemnation proceedings.

13. **Maintenance and Inspection.** For so long as this contract is in effect 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.

14. **General Advancements by Seller.** In case the Purchaser fails to make any payment to others as herein provided, the Seller may make such payment, and any amounts so paid by the Seller, together with interest at the rate of twelve percent (12%) per annum thereon from date of payment until repaid, shall be repayable by Purchaser on Seller's demand, all without prejudice to any other rights the Seller may have by reason of such default.

15. **Purchaser's Default and Notice of Default.**

A. Time is of the essence of this contract. The Purchaser shall be in default under this contract if Purchaser (a) fails to observe or perform any term, covenant or condition herein set forth or those of any prior encumbrances, or (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, or (c) fails to pay rent or otherwise comply with the obligations of the Site Lease or other lease documents, (d) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any reorganization or similar act, or (e) permits the Property or any part thereof or its interests therein to be attached or in any manner restrained or

impounded by process of any court, or (f) abandons the Property for more than thirty (30) consecutive days (unless the Property is otherwise occupied), or (g) conveys the Property or a portion thereof without any prior written consent required herein of the Seller. Seller shall not unreasonably withhold such consent. (h) Any breach or default under the sub-lease or Master Lease for the premises on which the Property is located shall be a breach and default under this Sale Agreement.

B. Upon a default by Purchaser Seller shall give Purchaser written Notice of Default and Purchaser shall have thirty (30) days from the effective date of the Notice (as defined in Paragraph 25. hereof) to cure the default. Failure of Purchaser to cure within said thirty (30) day time period shall result in Seller pursuing the remedies for default as provided for in this contract.

16. **Seller's Remedies.** In the event the Purchaser is in default under this contract, the Seller may, at Seller's election, take any or all of the following courses of action:

A. Suit for Delinquencies. The Seller may institute suit for any overdue installment amounts or other sums due and payable under this contract and for any sums which have been advanced by Seller and repayable by Purchaser pursuant to the provisions of this contract, together with interest on all of said amount at the rate provided for by this contract from the date each such amount was advanced or due, as the case may be, to and including the date of collection. The promise to pay intermediate installments is independent of the promise to make a bill of sale. The election by the Seller to proceed under this paragraph 16.A. shall not bar the right to proceed under any other section of paragraph 16.

B. Forfeiture and Repossession. The Seller may forfeit this contract in the procedural manner provided for in Chapter 61.30 RCW for forfeiture of real estate sale contracts as said statute

is presently enacted and may hereafter be amended. The effect of such forfeiture includes: (1) all right, title and interest in the Property of the Purchaser and all persons claiming through the Purchaser shall be terminated; (2) the Purchaser's rights under the contract shall be canceled; (3) all sums previously paid under the contract shall belong to and be retained by the Seller or other person to whom paid and entitled thereto; and (4) all improvements made to and unharvested crops on the Property shall belong to the Seller.

C. Specific Performance. The Seller may institute suit to specifically enforce any of the Purchaser's obligations hereunder, and the same may include redress by mandatory or prohibitive injunction.

D. Judicial Foreclosure. The Seller may institute suit to judicially foreclose this contract as a mortgage, in which event Purchaser may be liable on a deficiency judgment.

E. Further Enforcement. The Seller may enforce this contract under any other method allowed by law.

F. Cumulative Remedies. The remedies stated herein are cumulative and not mutually exclusive and the Seller may pursue any other or further remedies to enforce this contract.

17. **Receiver**. If Seller has instituted any proceedings specified in paragraph 16. and Purchaser is receiving rental or other income from the Property, Purchaser agrees that the appointment of a receiver for the Property is necessary to protect Seller's interest.

18. **Purchaser's Remedy for Seller's Default**. If Seller fails to observe or perform any term, covenant or condition of this contract, Purchaser may, after 20 days written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured.

19. **Waivers.** 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.

20. **Due on Sale.** If Purchaser, without written consent of Seller, (a) conveys, (b) sells, (c) leases, (d) assigns, (e) contracts to convey, sell, lease or assign, (f) grants an option to buy the Property, (g) permits a forfeiture or foreclosure or trustee or sheriff's sale of any of the Purchaser's interest in the Property or this contract, Seller may at any time thereafter either raise the interest rate on the balance of the purchase price or declare the entire balance of the purchase price due and payable. If one or more of the entities comprising the Purchaser is a corporation, any transfer or successive transfers in the nature of items (a) through (g) above of 49% or more of the outstanding capital stock shall enable Seller to take the above action. A transfer to a spouse or child of Purchaser, a transfer incident to a marriage dissolution or condemnation, and a transfer by inheritance will not enable Seller to take any action pursuant to this paragraph; provided the transferee other than a condemnor agrees in writing that the provisions of this paragraph apply to any subsequent transaction involving the Property entered into by the transferee.

21. **Insurance.** Purchaser agrees to keep all buildings now or hereafter erected on the Property described herein continuously insured under fire and extended coverage policies in an amount not less than the balances owed on obligations assumed by Purchaser plus the balance due Seller, or full insurable value, whichever is higher. Purchaser shall annually, upon renewal, send a

copy of the Declarations page of the policy(ies) to Seller at the address of Seller indicated herein. All policies shall have loss payable first to Seller and then to Purchaser. Purchaser may within 30 days after loss, negotiate a contract to substantially restore the premises to their condition before the loss. If the insurance proceeds are sufficient to pay the contract price for restoration or if the Purchaser deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the Property shall be restored unless any other encumbrances provide otherwise. Otherwise, the amount collected under any insurance policy shall be applied upon any amounts due hereunder in such order as the Seller shall determine. In the event of forfeiture, all rights of Purchaser in insurance policies then in force shall pass to Seller.

22. Construction on Property. No construction or erection of any residence or structure shall be commenced on the Property unless and until all necessary permits and approvals, as required by all governmental agencies with jurisdiction over the Property, and/or any required by the bylaws or owners' association, have been issued and obtained. Once construction commences, unless waived in writing by Seller, exterior construction and improvements (especially exterior cleanliness) shall be completed within eight (8) months of commencement of construction. "Commencement of construction" for purposes of this paragraph, shall mean the commencement of clearing and/or grading of the construction site.

23. Attorneys Fees and Costs.

A. If this contract, or any obligation contained in it, is referred to an attorney for collection, enforcement, forfeiture or realization, due to a default or breach by a party, the party in default or breach agrees to pay the other party's costs, including title search and service of notices, costs and expenses, in addition to reasonable attorney fees and all other related legal expenses.

B. If suit, action or arbitration arises out of this contract, the losing party agrees to pay the prevailing party's costs, including title search and service of notices, costs and expenses, in addition to reasonable attorney fees, incurred in connection with such suit, action or arbitration in both trial, appellate and bankruptcy courts or tribunals.

24. **Nuisance, Waste and Hazardous Substances.** Seller has no knowledge of any hazardous substances being on the Property. The Purchaser will not create a nuisance or commit waste on the premises. Purchaser represents and warrants to Seller that hazardous substances will not be generated, stored or disposed of on the premises nor will the same be transported to or over the premises. "Hazardous substance" shall be interpreted broadly to mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar term by any federal, state or local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time. And it shall be interpreted to include, but not be limited to, any substance which after release into the environment and upon exposure, ingestion, inhalation or assimilation, either directly from the environment or indirectly by ingestion through food chains or otherwise, will or may reasonably be anticipated to cause sickness, death, disease, behavior abnormalities, cancer or genetic abnormalities. Purchaser will hold Seller harmless from and indemnify Seller against and from any damage, loss, expenses or liability resulting from any breach of this representation and warranty including all attorney fees and costs incurred as a result thereof.

25. **Notices.** Any notices required or permitted by law or under this contract shall be in writing and shall be sent by first class certified or registered mail, return receipt requested, with postage prepaid, to the parties' addresses set forth herein. All notices which are so addressed and

paid for shall be deemed effective three (3) business days following the deposit thereof in the U.S. mail, irrespective of actual receipt of such notice by the addressee.

26. **Successors.** Subject to the restrictions contained in this contract, 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.

27. **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 the 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.

28. **Applicable Law and Venue.** This contract shall be governed by and construed in accordance with the laws of the state of Washington and in the event of any litigation arising out of this contract, the parties hereto stipulate and agree that the venue of any such action shall be laid in Skamania County, Washington.

29. **Disclosure of Representation.** It is understood that this contract has been prepared by the law firm of Weber Gunn, PLLC, for the benefit of the Seller hereunder; and that the Purchaser has been informed of that fact, and has been afforded an opportunity to receive counsel with respect to this contract from Purchaser's own attorneys.

Seller's Address: Franklin L. Yela and Carolyn D. Yela
14803 SE McGillivray Blvd.
Vancouver, WA 98683

Purchaser's Address: Jason Pearl and Patty Pearl
7318 NE 103rd Avenue
Vancouver, WA 98662

IN WITNESS WHEREOF, the parties have set their hands the day and year first above written.

Jason Pearl, Purchaser

Patty Pearl, Purchaser

Franklin L. Yela, Seller

Carolyn D. Yela, Seller

STATE OF WASHINGTON)
: ss.
COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Franklin L. Yela is the person who appeared before me, and said person acknowledged that he signed this Sale Contract and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

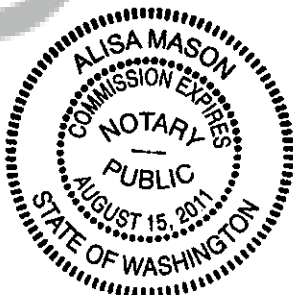
DATED this 25 day of September, 2007.

Alisa Mason

ALISA MASON

NOTARY PUBLIC in and for the State of Washington

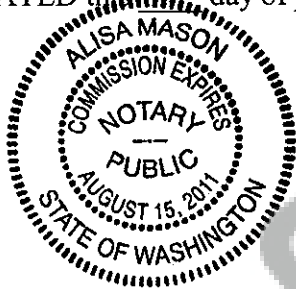
My Commission Expires August 15, 2011



STATE OF WASHINGTON)
 : ss.
COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Carolyn D. Yela is the person who appeared before me, and said person acknowledged that she signed this Sale Contract and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 25 day of September, 2007.



Alisa Mason

ALISA MASON

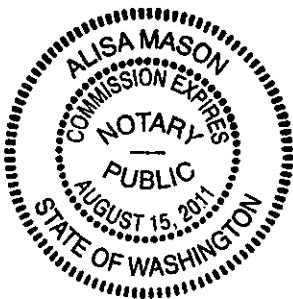
NOTARY PUBLIC in and for the State of Washington

My Commission Expires August 15, 2011

STATE OF WASHINGTON)
 : ss.
COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Jason Pearl is the person who appeared before me, and said person acknowledged that he signed this Sale Contract and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 26 day of September, 2007.



Alisa Mason

ALISA MASON

NOTARY PUBLIC in and for the State of Washington

My Commission Expires August 15, 2011

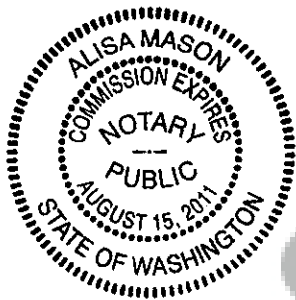
STATE OF WASHINGTON)

: ss.

COUNTY OF CLARK)

I certify that I know or have satisfactory evidence that Patty Pearl is the person who appeared before me, and said person acknowledged that she signed this Sale Contract and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 1st day of October, 2007.



Alisa Mason

ALISA MASON

NOTARY PUBLIC in and for the State of Washington

My Commission Expires August 15, 2011