

When recorded return to:
Klickitat County Title Company
129 West Main Street
Goldendale, WA 98620

REAL ESTATE CONTRACT

- 1. EFFECTIVE DATE: December 10, 2012.
- 2. SELLERS: Bonnie F. Ternahan and Philip A. Ternahan, Co-Trustees of the Ternahan Living Trust dated September 14, 1995.
- 3. PURCHASERS: James J. Brady and Vicki L. Nomura, joint tenants with the right of survivorship.
- 4. PROPERTY SOLD: Seller agrees to sell to the Purchasers, and the Purchasers agree to purchase from the Sellers, the following described real estate, with the appurtenances thereon, situated in Skamania County, Washington:

SEE EXHIBIT "A" attached hereto and by this reference incorporated herein.

03-10-16-0-0-1000-00 & 03-10-21-2-0-0100-00 *JM*
- 5. ENTIRE AGREEMENT: This Agreement contains the entire understanding between the parties and supersedes any prior understandings and agreements between them respecting the subject matter hereof. There are no other representations, oral or written, between and among the parties hereto or any of them, relating to the subject matter of this Agreement. No amendment of or supplement to this Agreement shall be valid or effective unless made in writing and executed by the parties hereto.

REAL ESTATE EXCISE TAX

29858
DEC 13 2012
PAID \$ 9,351.77
Audrey Fanni Deputy
SKAMANIA COUNTY TREASURER

6. PAYMENT TERMS: The terms and conditions of this contract are as follows:

Purchase Price of the real estate as described in Exhibit A shall be the current Skamania County Assessor's market value for the calendar year 2012. Parcel I (80 acre parcel) market value as assessed by the Skamania County Assessor is three hundred sixty thousand nine hundred and no/100 dollars (\$360,900.00). Parcel II (18 acre parcel) market value as assessed by the Skamania County Assessor at two hundred fifty thousand and no/100 dollars (\$250,000.00). The total purchase price of Parcel I and Parcel II is six hundred ten thousand nine hundred and no/100 dollars (\$610,900.00).

(a)	PRICE.	Buyer agrees to pay:	<u>\$610,900.00</u>	Total Price
		Less	<u>\$200,000.00</u>	Cash Down Payment
		Results in	<u>\$410,900.00</u>	Amount Finance by Seller

(b) PAYMENT OF AMOUNT FINANCED BY SELLER.

Buyer agrees to pay the sum of \$410,900.00, amortized over twenty years, as follows:

\$1,980.00 or more at Buyer's option, commencing on January 15, 2013, including interest from the date of recording of this contract at the rate of 4.00% per annum on the declining balance thereof; and a like amount, or more, on or before the fifteenth (15th) day of each and every month thereafter until paid in full, with no penalty for prepayment for any balance of the principal due. Notwithstanding the above, the entire balance of principle and interest is due in full no later than December 12, 2032.

Payments are applied first to interest and then to principal. Payment shall be made at Klickitat County Title Company, 129 W. Main Street, Goldendale, WA 98620, or such other place as the Seller may hereafter indicate in writing.

7. LATE CHARGES: In the event the Purchasers shall be delinquent more than fifteen (15) days in making any payment, a late charge of 5.00 percent (5.00%) of the delinquent payment or payments shall be made. The late charge will be computed monthly on all sums which are delinquent.

8. CLOSING AND CLOSING AGENT: The Closing Date for this contract should be executed on or about, Wednesday, December 12, 2012. The Closing Agent shall be Columbia

Gorge Title, or if Columbia Gorge Title is not available to act as Closing Agent, a qualified Closing Agent selected by the Purchasers.

9. CLOSING COSTS: Taxes and assessments for the year of Closing, rents, insurance, interest, water and other utilities constituting liens shall be prorated as of the date of Closing. Sellers shall pay the real estate excise tax, recording fees, one-half of the escrow fees, and the premium for the policy of title insurance to be provided to Purchasers at Closing. Purchasers shall pay one-half of the escrow fees.

10. TITLE. At Closing, the Sellers shall deliver to the Purchasers this Real Estate Contract, upon the performance of which by the Purchasers, Sellers will convey a fee simple, marketable title to the Property by Statutory Warranty Deed, free and clear of all liens, encumbrances, easements, leases, agreements, reservations, covenants, restrictions, rights, conditions, and other defects except those exceptions set forth in this Contract and the printed exceptions set forth in the owner's standard coverage form title insurance policy. At Closing, the Sellers shall also execute and acknowledge the fulfillment deed provided for in the Contract and deliver it at Closing into a true escrow as provided in the Contract.

11. FULFILLMENT DEED FOR PARCEL 1: A Statutory Warranty Fulfillment Deed, conveying title to Parcel I, Exhibit A, free and clear of all encumbrances except those agreed to by Purchasers shall be executed and placed in escrow with Klickitat County Title Company, with instructions to deliver same to Purchasers once all payments herein required have been made.

12. FULFILLMENT DEED FOR PARCEL II: A Statutory Warranty Fulfillment Deed conveying Title to Parcel II, Exhibit A, shall be executed and placed in escrow with Klickitat County Title Company, with instructions to deliver same to Purchasers once the balance due on this Real Estate Contract has been reduced to the sum of Three Hundred Forty Thousand Nine Hundred and no/100 Dollars (\$340,900.00).

13. POSSESSION: The purchasers are entitled to possession of the property upon Closing.

14. PRORATED ITEMS: The following items will be prorated between the Sellers and the Purchasers as of the date of closing:

(a) Real Estate Taxes. Purchasers having been paying property taxes so no proration of tax payments is required. However, this transaction will be treated as a sale of agricultural land, with the filing of the appropriate Notice of Continuance with the county. Any change of use will be the responsibility of the Purchasers, including the payment of any recapture tax associated with any future change of use.

15. FUTURE TAXES AND ASSESSMENTS ON SAID PROPERTY: The Purchasers agree to pay before delinquency all taxes and assessments which may hereafter become a lien on the real estate.

16. ACCEPTANCE OF PROPERTY: The Purchasers agree that a full inspection of the property has been made. The Sellers shall not be liable under this agreement with respect to (a) condition of the property, (b) any service, installation, maintenance or construction charges for sewer, water, electricity or (c) conditions as to zoning or platting, except as herein provided.

17. TITLE INSURANCE: The Sellers agree to procure and furnish to the Purchasers within fifteen (15) days from date of contract, a Purchaser's policy of title insurance, in the owner's standard coverage form title insurance policy issued by Columbia Gorge Title. This will be subject to no exceptions except those set forth in the Contract and the printed exceptions set forth in the title policy form, insuring the Purchasers to the full extent of the purchase price against loss or damage by reason of defect in the record title of the Sellers to the real estate herein described or by reason of prior liens or encumbrances not assumed by the Purchasers in this contract.

18. GENERAL ADVANCEMENTS BY SELLERS: In case the Purchasers fail to make any payment to others as herein provided, Sellers may make such payment and any amounts so paid by Sellers, together with interest at the rate of 5.00 % per annum thereon from date of Sellers' payment shall be added to the amount owed to the Sellers by Purchasers. This is all without prejudice to any other rights Sellers might have by reason of such default.

19. DEFAULT PROVISIONS: If the Purchaser fails to observe or perform any term, covenant, or condition of this Contract, Seller may:

- (a) Suit for Installments. Sue for any delinquent periodic payment; or
- (b) Specific Performance. Sue for specific performance of any of Purchaser's obligations pursuant to this Contract; or
- (c) Acceleration of Balance Due. Give Purchaser written notice demanding payment of said delinquencies and payment of a late charge of 5% of the amount of such delinquent payments and payment of Seller's reasonable attorney's fees and costs incurred for services in preparing and sending such Notice and stating that if payment pursuant to said Notice is not received within 30 days after the date said Notice is either deposited in the mail addressed to the Purchaser or personally delivered to the Purchaser, the entire balance owing, including interest, will become immediately due and payable. Seller may thereupon institute suit for payment of such balance, interest, late charge, and reasonable attorney's fees and costs.
- (d) Judicial Foreclosure. Sue to foreclose this Contract as a mortgage, in which event Purchaser may be liable for a deficiency.

20. RECEIVER: If Seller has instituted any proceedings specified in Paragraph 19 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.

21. 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 30 days' written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured.

22. ATTORNEY'S FEES AND COSTS. In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorney's fees and costs, including costs of service of notices and title searches, incurred by the other party. The prevailing party in any suit instituted arising out of this Contract and in any forfeiture proceedings arising out

of this Contract shall be entitled to receive reasonable attorney's fees and costs incurred in such suit or proceedings.

23. NOTICE OF PROVISIONS: Service of all demands or notices pursuant to this contract shall be made by Certified Mail and regular mail, postage prepaid, directly to the Purchasers or Sellers at their address stated below. The time specified in any notice shall commence to run with the date of the postmark.

24. CONDEMNATION: In the event of the taking of any part of the property for public use, all monies received by reason thereof shall be deemed to be the property of the Purchasers, but shall be applied as a payment on the purchase price of the property to the extent it does not exceed the amount then unpaid hereunder.

25. CONSENT OF ASSIGNMENT: It is agreed that no assignment of this contract or sale of the property, or any part thereof, by the Purchasers, shall be valid unless the Sellers herein have first consented thereto in writing. Sellers shall not be held responsible for any liability incurred on the property after the day of closing. Consent by the Sellers herein to the sale or assignment in one instance does not waive the requirement of the Purchasers, or his successors in interest, to obtain the Sellers' consent as to any further assignment or sales of the property as long as the contract is in force.

26. MISCELLANEOUS.

26.1. BINDING. This agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

26.2. SEVERABILITY. If any part of this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall in no way be affected, impaired, or invalidated.

26.3. TIME. Whenever any time period specified in this Agreement will otherwise expire on a Saturday, Sunday, or legal holiday, the period shall be extended to the next business day following such original expiration date. Time is of the essence of this agreement.

27. ADDRESSES:

- (a) Seller's Address: 11 Wess Road, Underwood, Washington 98651
- (b) Purchaser's Address: 1431 108th Ave SE, Bellevue, WA 98004

IN WITNESS WHEREOF, the parties hereto have executed this instrument this 10TH day of December, 2012.

Bonnie F. Ternahan, Trs.
Bonnie F. Ternahan, Co-Trustee of the
Ternahan Living Trust dated
September 14, 1995

Philip A Ternahan Co-Trustee
Philip A. Ternahan, Co-Trustee of the
Ternahan Living Trust dated
September 14, 1995

James J. Brady
James J. Brady

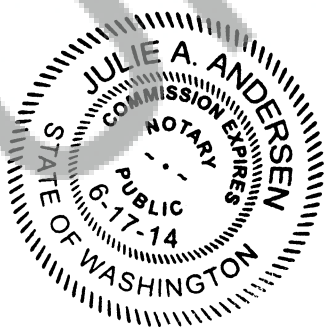
Vicki L. Nomura
Vicki L. Nomura

STATE OF WASHINGTON)
COUNTY OF Samaritan) §

I certify that I know or have satisfactory evidence that **Bonnie F. Ternahan** is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the **Trustee** of the **Ternahan Living Trust dated September 14, 1995**, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated: December 10, 2012.

(Seal)



Julie A. Andersen
Printed Name: Julie A Andersen
Notary Public in and for the State of Washington
Residing at Carson, WA
My commission expires: June 17, 2014

STATE OF CALIFORNIA)
) §
COUNTY OF Ventura)

I certify that I know or have satisfactory evidence that **Philip A. Ternahan** is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the **Trustee** of the **Ternahan Living Trust dated September 14, 1995**, to be the free and voluntary act of such party for the uses and purposes stated therein.

Dated: December 11, 2012.

(Seal)

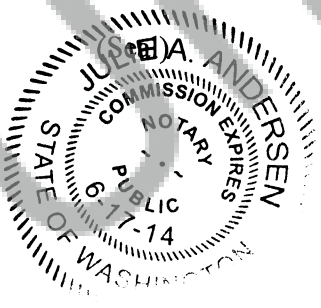


Vanessa Hernandez
Printed Name: Vanessa Hernandez
Notary Public in and for the State of California,
Residing at 567 W. Channel Isl. Blvd
My commission expires: Jan 7, 2016

STATE OF WASHINGTON)
) §
COUNTY OF Skamania)

I certify that I know or have satisfactory evidence that **James J. Brady and Vicki L. Nomura** are the persons who appeared before me and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: December 10, 2012.



Julie A. Andersen
Printed Name: Julie A Andersen
Notary Public in and for the State of Washington
Residing at Carson, WA
My commission expires: June 17, 2014

EXHIBIT "A"

PARCEL I:

The South Half of the Southwest Quarter of Section 16, Township 3 North, Range 10 East of the Willamette Meridian in the County of Skamania, State of Washington.

PARCEL II:

The East Half of the Northeast Quarter of the Northwest Quarter of Section 21, Township 3 North, Range 10 East of the Willamette Meridian in the County of Skamania, State of Washington:

EXCEPT the following described portion thereof. Beginning at a point on the West right-of-way line of the County Road known and designated as the Kramer Road, said point being North 44° 40' East a distance of 936.1 feet from a railroad iron marking the Southwest corner of the East half of the Northeast Quarter of the Northwest Quarter of the said Section 21: thence South 89° 38' West 300 feet; thence North 340 feet; thence North 89° 38' East 300 feet to the West right-of-way line of said Kramer Road; thence South along said West line 340 feet to the point of beginning.

Skamania County Assessor
 Date 12-13-12 Parcels 3-10-16-0-0-1000-00
3-10-21-2-0-1000-00

YM

Unofficial Copy