

After recording, return to:

Landerholm, P.S.
P.O. Box 1086
Vancouver, WA 98666-1086

Tax Lots 03-10-0300-0105/00
Section 3, T3N, R10E, W.M.

Space Above for Recording Information Only

REAL ESTATE CONTRACT

1. **Effective Date.** April 01, 2015
2. **Sellers.** Desmond E. Verley and Sheryl J. Verley, husband and wife
1072 Lakeview Road
White Salmon, WA 98672
3. **Purchaser.** Jess D. Reed, an unmarried man
2704 Harvard Drive
Madison, WI 53705
4. **Property.** The Sellers agree to sell to the Purchaser, and the Purchaser agrees to purchase from the Sellers, the following described real estate ("Property"), with appurtenances thereon, situated in Skamania County, Washington:

Skamania County Assessor *C.S.*
Date 4/13/15 Parcel# 3-10-3-105

A tract of land located in the West Half of the Northwest Quarter of the Northeast Quarter of Section 3, Township 3 North, Range 10 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Also known as Lot 1 BIG BUCK ACRES Short Plat, recorded in Skamania County Records as 2014001269.

SUBJECT TO those certain Easements, Restrictions and Reservations shown on the fact of the BIG BUCK ACRES Short Plat, recorded in Skamania County Records as 2014001269.

SKAMANIA COUNTY
REAL ESTATE EXCISE TAX
31160
APR 13 2015

REAL ESTATE CONTRACT - 1

PAID \$1,917.50
Michael J. Palmer Deputy
SKAMANIA COUNTY TREASURER

5. **Purchase Price.** The purchase price of the Property is ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$125,000.00), of which TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$25,000.00) has been paid, receipt of which is hereby acknowledged. The balance of ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00) shall be paid in monthly installments of EIGHT HUNDRED SEVENTEEN AND 08/100 DOLLARS (\$817.08), beginning **May 10, 2015**, and continuing on the same day of each month thereafter until the balance of the purchase price, both principal and interest, is fully paid. The unpaid balance of the purchase price shall at all times bear interest at Five point five percent (5.5%) per annum, commencing on recording of this Contract.

Notwithstanding the foregoing payment provisions of this Contract the purchase price, any accrued interest and costs, shall be paid in full on or before two (2) years from the date of recording of this Contract.

Each payment shall be first applied against the costs, expenses and late charges for which the Purchaser are then liable hereunder, secondly against interest, and thirdly against the principal then due to the Sellers. All payments shall be made at the place designated by the Sellers.

6. **Late Charges.** In the event that any payment is received by the Sellers more than ten (10) days after the due date, there shall be due a late charge of five percent (5%) of the delinquent payment or Fifty and No/100 Dollars (\$50.00), whichever is greater. The late charge will be computed monthly on all sums which are delinquent.

7. **Retention of Title, Security and Deed.** When Purchaser have fully performed this Contract, Sellers shall execute and deliver to Purchaser a Warranty Fulfillment Deed conveying the Property free and clear of encumbrances or defects, except (a) those approved by Purchaser in writing prior to closing; (b) those noted in the special and general exceptions to the preliminary commitment for title insurance; and (c) easements, covenants, conditions, restrictions and defects of record and on the face of the Plat, if any; (d) existing boundary lines and encroachments; (e) the easement reserved for the benefit of Sellers described above; and (f) any encumbrances that may accrue hereafter due to any person other than the Sellers. Purchaser' rights to the Property shall be subject to all applicable terms and conditions 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, water rents or water assessments, utility charges, and operation or construction

charges not now delinquent, and all levied or assessed against the Property and hereafter falling due. In the event any taxes, assessments, rents, or charges to be paid by Purchaser is paid by Sellers, Purchaser shall promptly reimburse Sellers. Upon failure of Purchaser to pay any taxes, assessments, rents or charges to be paid by Purchaser, Sellers may, at their option, declare a forfeiture of this Contract or pay and discharge any such tax, assessment, rent 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. **Prepayment.** Purchaser may prepay the entire amount remaining due pursuant to this Real Estate Contract when such payment is accompanied by all interest costs and charges then due.

11. **Acceptance of Premises.** The Purchaser agrees that a full inspection of the premises has been made. Purchaser hereby accepts the Property in its present condition and AS IS and Purchaser confirms that neither the Sellers nor any agent or representative of the Sellers have 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.

12. **Title Insurance.** The Sellers agree to procure a standard purchaser's form policy of title insurance, insuring the Purchaser 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, excepting matters herein expressly agreed to by the Purchaser or referenced herein.

13. **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 their 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.

14. **Insurance.** The Purchaser shall, at their own cost and expense, keep any improvements they construct 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 Sellers may reasonably require from time to time. Until construction, Purchaser shall, at a minimum, keep

liability insurance coverage against the Property by adding this Property to their homeowner's policy. For insurance covering any improvement, said policy shall expressly include the Sellers 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 cancelled prior to Sellers receiving not less than twenty (20) days' advance written notice, and accurate and complete copies thereof shall be deposited with the Sellers upon written request. Sellers shall receive a copy of a Certificate of Coverage showing the addition of this Property to the homeowner policy at recording of this Contract.

In the event of any failure of the Purchaser to obtain or timely pay any premiums for any insurance required by this Paragraph, the Sellers may require the Purchaser to deposit with each installment amount an amount reasonably estimated by the Sellers to be necessary to discharge the next ensuing premiums for said policies, said estimates to be adjusted by the Sellers 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 Sellers' deed to the Purchaser. The Sellers 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 Sellers in a segregated account and expended for no other purpose, however, this account may be commingled with any tax reserve account under this Contract.

15. **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 Sellers to apply upon the purchase price, not exceeding any amounts then unpaid hereunder. Sellers, Purchaser or both may appear and defend or prosecute in any condemnation proceedings.

16. **Maintenance and Inspection.** The Purchaser shall keep and maintain the Property in no less than its condition at the time of recording of this Contract, 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. The Sellers shall have the right, at all reasonable times and hours, to inspect the Property to ascertain whether the Purchaser are complying with all of the terms, covenants and conditions of this Contract.

17. **Alteration and Liens.** Purchaser shall not, without the prior written consent of the Sellers, make or permit any alterations, additions, or improvements to or of the Property or to any portion thereof. The Sellers may not unreasonably withhold its consent if the action proposed will not materially affect 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 junior liens, mechanics' or materialmen's liens to be placed against the Property. The Purchaser shall have the right to contest a mechanics or materialman's 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 Sellers in the Property. In the event the Purchaser shall alter, repair or improve the real property or erect or construct buildings or improvements on the real property or any part thereof (whether acting with or without Sellers' consent), all such alterations, repairs, improvements, replacements and additions, including any new buildings and improvements, shall immediately be and become the property of the Sellers and subject to all of the terms, covenants and conditions of this Contract.

18. **General Advancements by Sellers.** In case the Purchaser fail to make any payment to others as herein provided or to maintain insurance, as required herein, the Sellers may make such payment or effect such insurance, and any amounts so paid by the Sellers, 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 Sellers' demand, all without prejudice to any other rights the Sellers might have by reason of such default.

19. **Purchaser' Default.** 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) becomes or is declared insolvent or make an assignment for the benefit of creditors, or file any debtor's petition or any reorganization or similar act, or (d) 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 (e) conveys the Property or a portion thereof without any prior written consent required herein of the Sellers.

20. **Sellers' Remedies.** In the event the Purchaser are in default under this Contract the Sellers may, at Sellers' election, take any or all of the following courses of action:

a. **Suit for Delinquencies.** The Sellers 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 Sellers 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 deed. The election by the Sellers to proceed under this Paragraph 20(a) shall not bar the right to proceed under any other section of Paragraph 20.

b. **Acceleration.** In the event Purchaser shall fail to comply with any condition hereof or to make any payment required, the Sellers may elect to declare all of the sums obligated to be paid by the Purchaser herein to be immediately due and payable. Prior to acceleration, a thirty (30) day notice of intent to accelerate shall be made by Sellers in writing.

Within the thirty (30) day period, the Purchaser shall have the right to remove the grounds for acceleration specified in the notice. Acceleration shall be declared, however, unless the Purchaser have paid to the Sellers all expenses that Sellers have incurred in the declaration of intention to accelerate and service of such notice, including attorney's fees incurred by the Sellers. Upon acceleration being declared, all sums due under this Contract, including all costs and attorney's fees, shall immediately be payable in full, and Purchaser shall have no right to bring the delinquencies current and reinstate the contract.

c. **Forfeiture and Repossession.** The Sellers may forfeit this Contract pursuant to Chapter 61.30, RCW, as it is presently enacted and may hereafter be amended. The effect of such forfeiture includes: (i) all right, title and interest in the Property of the Purchaser and all persons claiming through the Purchaser shall be terminated; (ii) the Purchaser's rights under the Contract shall be canceled; (iii) all sums previously paid under the Contract shall belong to and be retained by the Sellers or other person to whom paid and entitled thereto; and (iv) all improvements made to and unharvested crops on the Property shall belong to the Sellers.

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

e. **Further Enforcement.** The Sellers may enforce this Contract under any other method allowed by law. Sellers may proceed as to both the real and the personal property in accordance with their rights and remedies in respect to the real property.

f. **Cumulative Remedies.** The remedies stated herein are cumulative and not mutually exclusive and the Sellers may pursue any other or further remedies to enforce this Contract.

21. **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.

22. **Attorney's Fees.**

a. If this Contract or any obligation contained in it is referred to an attorney for collection or realization, Purchaser agree to pay Sellers' attorney's fees, including fees incurred with or without legal suit, fees incurred in preparation and service of notices, expenses of searching records to determine the condition of title, and all other related legal expenses.

b. In the event litigation arises out of this Contract, the losing party agrees to pay the prevailing party's attorney's fee, together with all costs and expenses incurred in connection with such action, including the cost of searching records to determine the condition of title.

23. **Assignment of Rents.** As security for the payments required herein, and subject to the restrictions on leasing herein, Purchaser hereby transfer, assign and set over to Sellers, their successors and assigns, from and after the date hereof, all of Purchaser' right, title and interest in and to (a) all leases, subleases, licenses, rental contracts, now existing or hereafter entered into and effecting the Property together with all guarantees, modifications, extensions and renewals thereof which now exist or may hereafter be made, and (b) all rents, issues, profits, income and proceeds to become due from tenants of the Property together with all deposits and security deposits now or hereafter held by Purchaser.

24. **Hazardous Waste.** The Purchaser will not create a nuisance or commit waste on the premises. Purchaser represent and warrant to Sellers 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. It shall be further 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 Sellers harmless from and indemnify Sellers against and from any damage, loss, expenses or liability resulting from any breach of this representation and warranty including all attorneys' fees and costs incurred as a result thereof.

25. **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; all easements, reservations, restrictions, covenants and conditions of record affecting or pertaining to the Property; and cooperative declarations, articles, by-laws, 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 cause a nuisance.

26. **Due on Sale.** If Purchaser, without written consent of Sellers, (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' interest in the Property or this Contract, Sellers may at any time thereafter at

Sellers' sole discretion either raise the interest rate on the balance of the purchase price by an amount not exceeding three percent (3%) per annum or declare the entire balance of the purchase price due and payable. 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 Sellers 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.

27. **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 above. Either party may change such address for notice and, if payments are not made to an escrow or collection account, the Sellers may change the address for payments, by designating the same to the other party hereto in the manner hereinabove 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 two (2) business days following the deposit thereof in the U.S. mail, irrespective of actual receipt of such notice by the addressee.

28. **Successors.** Subject to the restrictions contained in this Contract, the rights and obligations of the Sellers 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.

29. **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 Sellers 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 Sellers and the Purchaser subsequent to the date hereof.

30. **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.

31. **Disclosure of Representation.** It is understood that this contract has been prepared by the law firm of Landerholm, P.S. for the benefit of the Sellers hereunder; and that the Purchaser have been informed of that fact, and have been afforded an opportunity to receive counsel with respect to this contract from Purchaser's own attorneys.

IN WITNESS WHEREOF, the parties hereto have signed this instrument as of the dates below.

4/1/2015
Date
04/01/2015
Date
✓ 4/9/2015
Date

Desmond E. Verley
Desmond E. Verley, Seller
Sheryl J. Verley
Sheryl J. Verley, Seller
✓ Jess D. Reed
Jess D. Reed, Purchaser

Oregon
STATE OF ~~WASHINGTON~~)
Hood River) ss.
County of ~~Skamania~~)

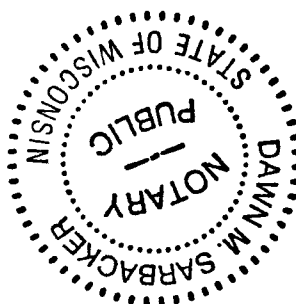
I certify that I know or have satisfactory evidence that Desmond E. Verley and Sheryl J. Verley are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: April 01, 2015.



Nicole Lynn Bennett
NOTARY PUBLIC for the State of Oregon
Residing in the County of Skamania
My Commission Expires: 01/06/2019
Residing in the County of: Klickitat

STATE OF Wisconsin)
County of Dane) ss.



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

DATED: April 9, 2015.

Dawn Sarbacher
NOTARY PUBLIC for the State of Wisconsin
Residing in the County of Dane
My Commission Expires: 10-11-2015