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1 of

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Guardian NW Title

**REAL ESTATE CONTRACT
(LONG FORM)**

I. SPECIFIC TERMS

A. PARTIES, PROPERTY, AND PURCHASE PRICE

Date: December 30th, 2016

Seller: Caldera LLC, a Washington limited liability company

Seller's Address: PO Box 1897, Mount Vernon, WA 98273

Purchaser: Heron Point Holdings LLP, a Washington limited liability partnership

Purchaser's Address: 2252 Odell Rd., Ste. 106

Blaine, WA 98230

16-34-4 PTN NE-SE

P 125847

P 125848

P 125844

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

20175
JAN 03 2017

Amount Paid \$ 5162.⁰⁰
Skagit Co. Treasurer
By *Kam Deputy*

Real Property Legal Description:

Lots 4-6, inclusive, as delineated on Short Plat No. LU 05-056, approved on February 7, 2007 and recorded February 13, 2007 under Auditor's File No 200702130096, records of Skagit County, Washington; being a portion of the Northeast ¼ of the Southeast ¼ of Section 16, Township 34 North, Range 4 East W.M.

Abbreviated Legal: (Required if full legal not inserted above.)

Section 16, Township 34 North, Range 4 East W.M.; Ptn. NE SE (aka Lots 4-6, SP#Lu05-056)

Tax Parcel Number(s):

P125897, P125898, P125899

Personal Property:

None

Title to be Conveyed:

Form of Deed:

Statutory Warranty Deed

Title Exceptions (include leases):

Those exceptions listed on Title Commitment NL 113205 from Guardian Northwest Title and Escrow, attached as Exhibit "A"

Amount Which Has Been Paid to Seller (Down Payment):

\$25,000.00 US

Balance Due:

\$265,000.00 US

Purchaser to Pay to Seller:

\$265,000.00 US

Purchaser to Pay Directly to Holders of Prior Encumbrances:

\$NONE US

TOTAL PURCHASE PRICE:

\$290,000.00 US

B. TERMS OF DEFERRED AMOUNT TO BE PAID TO SELLER

Interest Rate:

6% percent per annum

Interest Beginning Date:

January 1, 2017

Installment Periods: Seven (7) installments to be paid on the first day of each calendar month

First Installment Date: February 1, 2017

Installment Amounts: \$1,450 (interest only)

Final Payment Date: August 1, 2017, on which date a balloon payment of all principal, interest and all other amounts owed under this Real Estate Contract shall be due and payable

Default Rate: 6% percent per annum

Late Charge: \$100.00

Prepayment Provisions: No prepayment penalties shall be applied to pre-payment of remaining balance

Prepayment Premium: No Prepayment Premium shall be applied to pre-payment of remaining balance

Address to Which Installment Amounts are to be Sent: PO Box 1897, Mount Vernon, WA 98273

C. TERMS OF PRIOR ENCUMBRANCES

Prior Encumbrance: Property financial Encumbrance, mortgage, deed of trust, and liens

Current Holder: NA

Original Principal Amount: \$ NA US

Interest Rate: NA percent per annum

Current Principal Balance: \$ NA US

Payment Dates: NA

Amount of Each Payment: \$ NA US

Secured by: NA

Dated

Recorded on

Recording No.

D. MISCELLANEOUS

Portion of Purchase Price Allocated to Real Property: \$ 290,000.00 US

Portion of Purchase Price Allocated to Personal Property: \$ 0.00 US

Is the property to be used principally for agricultural or farming purposes? NO

Miscellaneous:

(Identify any Exhibits attached) Title Commitment No. 113205 from Guardian Northwest Title and Escrow attached as Exhibit "A"

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 set forth in Specific Terms under Paragraph I(B), 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.
3. **PRIOR ENCUMBRANCES.** This contract is being executed subject to no Prior Encumbrances. The Seller hereby represents to the Purchaser that no Prior Encumbrance exist that could become 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. In the event either of the parties hereto gives or receives a written notice to or from the holder of Prior Encumbrances it will be promptly transmit a copy of such notice to the other. The Specific Terms of this contract indicate the Seller is responsible for tendering the amounts due to the holders of Prior Encumbrances as set forth in paragraph (a) below.
 - a) Seller pays. 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 Purchase, in addition to the installments of principal and interest herein above provide 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 dates of said installments. So long as the Purchase 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 so 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.

4. **PREPAYMENTS.** 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.
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. After all sums evidenced by this contract due to the Seller have been paid, Seller shall deliver its fulfillment deed to the Purchaser in the form and subject to the exceptions agreed to herein upon payment by Purchaser of all amounts owed pursuant to this contract. In the event any escrow account is established for this contract, said deed 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's 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 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.

If (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 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 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 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 writing and except to the extent necessitated by the condemnation or then applicable law, none of the replacements or restorations 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 of the Property by condemnation shall constitute a failure of consideration or provide a basis for the 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 of 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 of 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, as its sole remedy, take the following and only the following courses of action:

a.) **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 Seller may declare the entire unpaid balance of the Purchase Price and all interest then due thereon to be immediately due and payable, together with any sums advanced by the Seller pursuant to the provision 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. 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 including the Down Payment, 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 the 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 attorneys' fees. Seller shall not have the right to obtain a deficiency against the Purchaser following the forfeiture of this contract for damages caused by waste to the Property.

TO THE EXTENT PERMITTED BY LAW, SELLER WAIVES ALL RIGHTS TO ANY OTHER REMEDIES EXCEPT AS SET FORTH HEREIN, INCLUDING THE RIGHT TO FORECLOSE THIS

CONTRACT AS A MORTGAGE PURSUANT TO RCW 61.30.020. IF FOR ANY REASON SUCH WAIVER IS NOT VALID AND SELLER IS ALLOWED TO FORECLOSE THIS CONTRACT AS MORTGAGE, SELLER HEREBY WAIVES ANY RIGHT TO OBTAIN A DEFICIENCY AGAINST PURCHASER FOR ANY AMOUNT OR REASON WHATSOEVER IT BEINGS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE LIABILITY OF PURCHASER UNDER THIS CONTRACT SHALL BE LIMITED TO THE INTEREST OF THE PURCHASER IN THE REAL PROPERTY.

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 of or a similar action against or affecting any portion of the Property, in which case such notice may be given concurrently with or immediately following such payment). If the party making such payment is the Purchaser, the Purchaser 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 on 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. If the party making such payment is the Seller, the Seller's sole remedy shall be to add such payment to the amount due and owing by Purchaser under this Agreement and pursue the remedy allowed pursuant to Section 19.
22. **CUMULATIVE REMEDIES; WAIVERS.** The Purchaser's remedies stated herein are cumulative and not mutually exclusive and the Purchaser may pursue any other or further remedies to enforce its respective rights under this contract. In any action or proceeding to recover any sum or to enforce any remedy provided for herein by Purchaser, no defense of adequacy of security or that resort must first be taken against any particular security by Seller or any other person shall be asserted by Seller. 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 non-defaulting 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 due to Purchaser 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. In the event of any reimbursements required by this paragraph are due to Seller, the Seller's sole remedy shall be to add such payment to the amount due and owing by Purchaser under this Agreement and pursue the remedy allowed pursuant to Section 19.

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 benefitted 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.

THE SELLER AND THE PURCHASER HEREBY AGREE TO THE TERMS HEREIN ABOVE SET FORTH AND THE COVENANTS AND CONDITIONS CONTAINED IN THE GENERAL TERMS, ALL OF WHICH ARE INCORPORATED BY THIS REFERENCE. IN THE EVENT OF ANY CONFLICT OR

INCONSISTENCY BETWEEN THE SPECIFIC TERMS (INCLUDING ANY EXHIBITS ATTACHED) AND THE GENERAL TERMS, THE FORMER SHALL CONTROL.

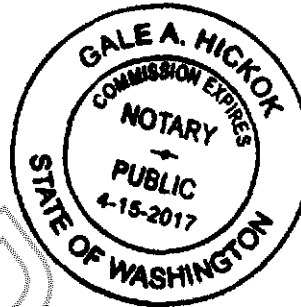
IN WITNESS WHEREOF, the Seller and the Purchaser have executed this agreement as of the date first above stated.

SELLER

Caldera LLC, a Washington limited Liability company

Danya R. Wolf 12/30/2016

by: Danya R. Wolf, it's Member



PURCHASER

Heron Point Holdings LLP, A Washington limited liability Partnership

Authentication

J. Hugh Wiebe 12/30/2016

12/30/2016 10:42:39 AM PST

By: J. Hugh Wiebe, Its General Partner

Authentication

Barbara J. Wiebe 12/30/2016

12/30/2016 10:40:51 AM PST

By Barbara J. Wiebe, Its Limited Partner

UNOFFICIAL DOCUMENT

INCONSISTENCY BETWEEN THE SPECIFIC TERMS (INCLUDING ANY EXHIBITS ATTACHED) AND THE GENERAL TERMS, THE FORMER SHALL CONTROL.

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

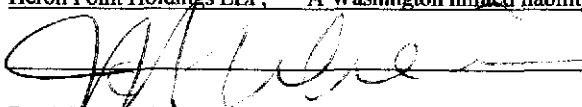
SELLER

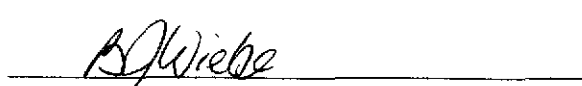
Caldera LLC, a Washington limited Liability company

by: Danya R. Wolf, it's Member

PURCHASER

Heron Point Holdings LLP, A Washington limited liability Company


By: J. Hugh Wiebe, Its General Partner


By Barbara J. Wiebe, Its Limited Partner

STATE OF
COUNTY OF

ss.

I certify that I know or have satisfactory evidence that DANYA WOLF is the person(s) who appeared before me, and said person(s) acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as a Member of Caldera LLC, a Washington limited liability company to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument..

Dated: 12/30/16

Gale A. Hickok
Notary name printed or typed: Gale A. Hickok
Notary Public in and for the State of Washington
Residing at Mount Vernon
My appointment expires:

STATE OF
COUNTY OF

ss.

I certify that I know or have satisfactory evidence that J. HUGH WIEBE is the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the General Partner of HERON POINT HOLDINGS LLP, a Washington limited liability partnership to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument..

STATE OF
COUNTY OF

SS.

I certify that I know or have satisfactory evidence that J. HUGH WIEBE is the person(s) who appeared before me, and said person(s) acknowledged that he signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the General Partner of HERON POINT HOLDINGS LLP, a Washington limited liability partnership to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument..

Dated:

Notary name printed or typed: BRENDEN NAGY
Notary Public in and for the State of ARIZONA
Residing at 34522 N SCOTTSDALE, SCOTTSDALE, AZ 85266
My appointment expires: 8/10/2017



STATE OF
COUNTY OF

SS.

I certify that I know or have satisfactory evidence that BARBARA J. WIEBE is the person(s) who appeared before me, and said person(s) acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as Limited Partner of Heron Point Holdings LLP, a Washington limited liability partnership, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument..

Dated:

Notary name printed or typed: BRENDEN NAGY
Notary Public in and for the State of ARIZONA
Residing at 34522 N SCOTTSDALE, SCOTTSDALE, AZ 85266
My appointment expires: 8/10/2017



UNOFFICIAL DOCUMENT