

WASHINGTON

COMMERCIAL REAL ESTATE PURCHASE AGREEMENT

I. **THE PARTIES.** This Commercial Real Estate Purchase Agreement ("Agreement") made on October 14, 2021 ("Agreement Date"), between:

City of McCleary ("Buyer") with a mailing address of 100 South 3rd Street, McCleary, Washington, who agrees to buy, and

Grays Harbor Drug Task Force ("Seller") with a mailing address of 100 West Broadway Suite 3, Montesano, Washington, who agrees to sell and convey real and personal property as described in Sections II & III. Buyer and Seller shall be collectively known as the "Parties."

II. **LEGAL DESCRIPTION.** The real property along with improvements and fixtures thereon and with all appurtenant rights, privileges, and easements is best described as: (check one)

- Industrial Property
- Land (only)
- Multi-Family with _____ total residential units
- Office Building
- Retail Property
- Mixed Use Property (any combination of above)
- Other: Metal storage building.

Street Address: 55 Larson Road, McCleary, Washington

Tax Parcel Information (i.e., "Parcel ID" or "Tax Map & Lot"): 618051120000 approximately 232 acres, (including on property a steel warehouse approximately 2200 square feet in size with septic and well). 618051044001 approximately 41.05 acres, 618051133003 approximately 32 acres, 618051134007 approximately 27.84 acres, 618051112007 approximately 14 acres

Other Description: ~~SEE ATTACHED EXHIBIT A~~ 

III. **PERSONAL PROPERTY.** In addition to the real property described in Section II, the Seller shall include the following personal property:



Buyer's Initials

Seller's Initials

The real property in Section II and any personal property in Section III shall be collectively known as the "Property".

IV. PURCHASE PRICE. The Buyer agrees to purchase the Property by payment of \$ 3,250,000.00 as follows: (check one)

- **All Cash Offer.** No loan or financing of any kind is required in order to purchase the Property. Buyer shall provide Seller written third (3rd) party documentation verifying sufficient funds to close no later than _____, 20____, at _____:____ AM PM. Seller shall have three (3) calendar days after the receipt of such documentation to notify Buyer, in writing, if the verification of funds is not acceptable. If Buyer fails to provide such documentation, or if Seller finds such verification of funds is not acceptable, Seller may terminate this Agreement. Failure of Seller to provide Buyer written notice of objection to such verification shall be considered acceptance of verification of funds.

- **Bank Financing.** The Buyer's ability to purchase the Property is contingent upon the Buyer's ability to obtain financing under the following conditions:

- a.) **Loan Application.** Buyer agrees, within a reasonable time, to make a good faith loan application with a credible financial institution;
- b.) **Contingency.** If Buyer does not reveal a fact of contingency to the lender and this purchase does not record because of such nondisclosure after initial application, the Buyer shall be in default;
- f.) **Fees.** Buyer agrees to pay all fees and satisfy all conditions in a timely manner required by the financial institution for processing the loan application. The interest rate offered by a lender or the availability of any financing program is a contingency of this Agreement. The availability of any financing program may change at any time. Any licensed real estate agent hired by either party is not responsible for representations or guarantees as to the availability of any loans, project, and/or property approvals or interest rates.

- **Seller Financing.** Seller agrees to provide financing to the Buyer under the following terms and conditions:

- a.) **Loan Amount:** \$ _____
- b.) **Down Payment:** \$ _____
- c.) **Interest Rate** (per annum): _____ %
- d.) **Term:** _____ Months Years
- e.) **Documents:** The Buyer shall be required to produce documentation, as required by the Seller, verifying the Buyer's ability to purchase according to the Purchase Price and the terms of the Seller Financing. Therefore, such Seller Financing is contingent upon the Seller's approval of the requested documentation to be provided on or before _____, 20____. The Seller shall have until _____, 20____, to approve the Buyer's documentation. In the event the Buyer fails to obtain Seller's



Buyer's Initials *V* Seller's Initials *BJ*

approval, this Agreement shall be terminated with the Buyer's Earnest Money being returned within five (5) calendar days.

V. EARNEST MONEY DEPOSIT. After acceptance by all Parties, the Buyer agrees to make a payment in the amount of \$1,000.00 at time of signing ("Earnest Money"). The Earnest Money shall be applied to the Purchase Price at Closing and subject to the Buyer's ability to perform under the terms of this Agreement. Any Earnest Money accepted is is not required to be placed in a separate trust or escrow account in accordance with Washington law. The Earnest Money shall be held by Agreed to Title Company ("Escrow Agent").

a.) **Return of Deposit.** Unless otherwise specified in this Agreement, in the event any condition of this Agreement is not met and the Buyer has fulfilled any required notice obligation in a timely manner regarding the condition having not been met, the Escrow Money shall be returned in accordance with Washington law.

VI. INSPECTION PERIOD. Buyer shall be under no obligation to purchase the Property or otherwise perform under this Agreement unless Buyer determines the Property to be, in all respects, suitable for its intended purposes. The decision as to whether the Property is suitable for its intended purposes shall be the sole decision of Buyer, determined in the absolute discretion of Buyer, with Buyer's decision being final and binding upon both Parties. Buyer shall have until November 30, 2021, at 5:00 AM PM to notify Seller of its termination of this Agreement due to Buyer's determination that the Property is unsuitable for its intended purpose ("Inspection Period"). In the event Buyer elects to terminate this Agreement, Buyer shall provide written notice of termination to Seller prior to the expiration of the Inspection Period. In the event Buyer provides said notice of termination, Seller and any Escrow Agent shall be obligated to return the Escrow Money to the Buyer as provided in Section V hereof, and neither party shall have any further rights or obligations under this Agreement. In the event Buyer does not submit written notice of termination prior to the expiration of the Inspection Period, the Buyer shall be deemed to be satisfied with its inspections of the Property and this contingency shall be deemed to be fulfilled. The Seller, at no expense, shall fully cooperate with Buyer in obtaining any and all approvals required from any Federal, State, or Local Government ("Governmental Approvals") necessary for Buyer to satisfy their needs during the Inspection Period for the suitability of the Property. Said Governmental Approvals shall be obtained during the Inspection Period unless the Parties agree otherwise. Any additional agreements related to this Section must be done in writing and attached to this Agreement.

VII. SELLER'S DISCLOSURES. In order to meet the Buyer's obligations during the Inspection Period, the Seller shall be required to provide the following documents and records, to the extent they are within the possession or control of the Seller, at the Seller's sole cost and expense:

a.) **Title Commitment.** A title commitment ("Title Commitment") from a title company selected by the Seller to the Buyer's approval ("Title Company"), together with a copy of each instrument, agreement or document listed as an exception to title in such Title Commitment;



Buyer's Initials

Seller's Initials

- **New Survey Requested.** Buyer will, at the Seller's Buyer's Shared expense and within a timeframe allowed to deliver and examine title evidence, obtain a certified survey of the Property from a certified and registered surveyor within the State. If the survey reveals encroachments on the Property or that the improvements encroach on the lands of another, such encroachments will constitute a title defect. The Buyer shall have the right to terminate this Agreement with written notice to the Seller within ____ calendar days of being notified of said title defect.

X. CURE PERIOD. Prior to any claim for default being made, either the Buyer or Seller will have an opportunity to cure any alleged default. If either Buyer or Seller fails to comply with any provision of this Agreement, the other party will deliver written notice to the non-complying party specifying such non-compliance. The non-complying party shall have 15 calendar days after delivery of such notice to cure the non-compliance.

XI. CLOSING. The purchase of the Property shall be closed on December 15, 2021, at 5:00 AM PM or earlier at the office of a title company to be agreed upon by the Parties ("Closing"). Any extension of the Closing must be agreed upon, in writing, by Buyer and Seller. Real estate taxes, rents, dues, fees, and expenses relating to the Property for the year in which the sale is closed shall be paid by the Seller and prorated as of the Closing.

BJ
a.) **Closing Costs.** The costs attributed to the Closing of the Property shall be the responsibility of Buyer Seller Both Parties. The fees and costs related to the Closing shall include, but not be limited to, a title search (including the abstract and any owner's title policy), preparation of the deed, transfer taxes, recording fees, and any other costs by the title company that is in standard procedure with conducting the sale of a property.

XII. SALE OF BUYER'S PROPERTY. Performance under this Agreement: (check one)

- **Shall not** be contingent upon the Buyer selling another property.

- **Shall be** contingent upon the Buyer selling another property with a mailing address of _____, City of _____, State of _____, within ____ calendar days from the Effective Date.

XIII. ASSIGNABILITY. This Agreement is: (check one)

- **Assignable.** If this Agreement may be assignable, the Buyer shall deliver a copy of the assignment agreement to the Seller at least ____ calendar days prior to Closing.

- **Not Assignable.**

XIV. NOTICES. All notices shall be in writing and may be delivered by the following acceptable method(s): (check all that apply)



Buyer's Initials _____ Seller's Initials W

- E-Mail
- Certified Mail (with return receipt)
- Personal Delivery
- Other: _____

Such notices shall be sent to the respective Parties' mailing addresses listed in Section I unless otherwise listed below:

Buyer: _____

Seller: _____

XV. CONVEYANCE. Upon performance by the Buyer of the closing obligations specified herein, the Seller shall convey marketable title of the Property to the Buyer by the deed mentioned in Section VIII, including, but not limited to, oil, gas, and other mineral rights, subject only to building and use restrictions, easements, and restrictions of record, if any.

XVI. ENVIRONMENTAL WARRANTY, DISCLOSURES AND INDEMNIFICATION. To the best of Seller's knowledge, there are no areas of the Property where hazardous substances or hazardous wastes, as such terms are defined by applicable Federal, State, and Local statutes and regulations, have been disposed of, released, or found. No claim has been made against Seller with regard to hazardous substances or wastes as set forth herein, and Seller is not aware that any such claim is current or ever has been threatened. Seller shall inform Buyer, to the best of Seller's knowledge, of any hazardous materials or release of any such materials into the environment, and of the existence of any underground structures or utilities which are or may be present on the Property.

XVII. SELLER'S WARRANTIES, REPRESENTATIONS AND COVENANTS. As an inducement to Buyer to enter into this Agreement and to purchase the Property, Seller warrants, represents, and covenants to Buyer, as follows:

- a.) **Authority.** Seller: (i) if an entity, is a lawfully constituted entity, duly organized, validly existing, and in good standing under the laws in the State of Washington or another State; (ii) has the authority and power to enter into this Agreement and to consummate the transactions contemplated herein; and (iii) upon execution hereof will be legally obligated to Buyer in accordance with the terms and provisions of this Agreement.
- b.) **Title and Characteristics of Property.** Seller, as of the date of execution of this Agreement, owns the Property in fee simple and has marketable and good title of public record and, in fact, the Property at Closing shall have the title status as described in Section VIII of this Agreement.
- c.) **Conflicts.** The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Seller at the Closing, and the performance by Seller of Seller's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, are consistent



Buyer's Initials _____ Seller's Initials *W*

with and not in violation of, and will not create any adverse condition under any contract, agreement or other instrument to which Seller is a party, or any judicial order or judgment of any nature by which Seller is bound. At Closing, all necessary and appropriate action will have been taken by Seller authorizing and approving the execution of and entry into this Agreement, the execution and delivery by Seller of the documents and instruments to be executed by Seller at Closing, and the performance by Seller of Seller's duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the purchase and sale of the Property as contemplated herein.

d.) **Condemnation.** The Seller has received no notice of, nor is Seller aware of, any pending, threatened or contemplated action by any governmental authority or agency having the power of eminent domain, which might result in any part of the Property being taken by condemnation or conveyed in lieu thereof.

e.) **Litigation.** There is no action, suit or proceeding pending or, to Seller's knowledge, threatened by or against or affecting Seller or the Property, which does or will involve or affect the Property or title thereto. Seller will defend, indemnify, and otherwise hold Buyer harmless from any and all claims of any person due to, arising out of or relating to the Property, including any and all costs, expenses, and attorneys' fees which Buyer may incur as a result of Seller's breach of its warranty hereunder. Seller will, promptly upon receiving any such notice or learning of any such contemplated or threatened action, give Buyer written notice thereof.

f.) **Assessments and Taxes.** No assessments have been made against any portion of the Property which are unpaid (except ad valorem taxes for the current year), whether or not they have become liens, and Seller shall notify Buyer of any such assessments which are brought to Seller's attention after the execution of this Agreement. The Seller will pay or cause to be paid promptly all City, State, and County ad valorem taxes and similar taxes and assessments, all sewer and water charges, and all other governmental charges levied or imposed upon or assessed against the Property which are due on or prior to the Closing.

g.) **Boundaries.** (i) There is no dispute involving or concerning the location of the lines and corners of the Property; (ii) to Seller's knowledge there are no encroachments on the Property and no portion of the Property is located within any "Special Flood Hazard Area" designated by the United States Department of Housing and Urban Development and/or Federal Emergency Management Agency, or in any area similarly designated by any agency or other governmental authority; and (iii) no portion of the Property is located within a watershed area imposing restrictions upon the use of the Property or any part thereof.

h.) **No Violations.** The Seller has received no notice there are any violations of State or Federal laws, municipal or county ordinances, or other legal regulations or requirements with respect to the Property, including those violations referenced in Paragraph 7 above. The Seller has received no notice (oral or written) that any municipality or governmental or quasi-governmental authority has determined that there are such violations. In the event Seller receives notice of any such violations affecting the Property prior to the Closing, Seller shall promptly notify Buyer thereof, and shall promptly and diligently defend any prosecution thereof and take any and all necessary actions to eliminate said violations.

i.) **Foreign Ownership.** Seller is not a "foreign person" as that term is defined in the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto, and Buyer has no obligation under Section 1445 of the U.S. Internal Revenue Code of 1986, as amended, to withhold and pay over to the U.S. Internal Revenue Service any part of the "amount realized" by Seller in the transaction contemplated hereby (as such term is defined in the regulations issued under said Section 1445).

j.) **Prior Options.** No prior options or rights of first refusal have been granted by Seller to any third parties to purchase or lease any interest in the Property, or any part thereof, which are effective as of the execution date.

k.) **Mechanics and Materialmen.** At Closing, Seller will not be indebted to any contractor, laborer, mechanic, materialmen, architect, or engineer for work, labor, or services performed or rendered, or for materials supplied or furnished, in connection with the Property for which any person could claim a lien against the Property and shall not have done any work on the Property within one-hundred twenty (120) days prior to Closing.

XVIII. BUYER'S WARRANTIES, REPRESENTATIONS AND COVENANTS. Buyer: (i) if an entity, is a lawfully constituted entity, duly organized, validly existing, and in good standing under the laws of Washington or another state; (ii) has the authority and power to enter into this Agreement and to consummate the transactions contemplated herein; and (iii) upon execution hereof will be legally obligated to Seller in accordance with the terms and provisions of this Agreement.

a.) **Conflicts.** The execution and entry into this Agreement, the execution and delivery of the documents and instruments to be executed and delivered by Buyer at the Closing, and the performance by Buyer of Buyer's duties and obligations under this Agreement and of all other acts necessary and appropriate for the full consummation of the purchase and sale of the Property as contemplated herein, are consistent with and not in violation of, and will not create any adverse condition under any contract, agreement or other instrument to which Buyer is a party, or any judicial order or judgment of any nature by which Buyer is bound. At Closing, all necessary and appropriate action will have been taken by Buyer authorizing and approving the execution of and entry into this Agreement, the execution and delivery by Buyer of the documents and instruments to be executed by Buyer at Closing, and the performance by Buyer of Buyer's duties and obligations under this Agreement and of all other acts necessary and appropriate for the consummation of the purchase and sale of the Property as contemplated herein.

XIX. ESCROW AGENT. The Parties authorize the Escrow Agent to receive, deposit, and hold funds and other property in escrow, including Earnest Money, that is subject to collection and disburse them in accordance with the terms of this Agreement. The Parties agree that the Escrow Agent will not be liable to any person for mis-delivery of Escrow Money to the Buyer and the Seller, unless the mis-delivery is due to the Escrow Agent's willful breach of this Agreement or gross negligence. If the Escrow Agent has doubt as to their duties or obligations under this Agreement, Escrow Agent may, at their sole decision:



Buyer's Initials Seller's Initials

- a.) **Hold the Escrow Money.** Hold any Escrow Money until the Parties mutually agree to its disbursement or until a court of competent jurisdiction or arbitrator determines the rights of the Parties; or
- b.) **Deposit.** Deposit the Escrow Money with the clerk of the court having jurisdiction over the matter and file an action in interpleader. Upon notifying the Parties of such action, Escrow Agent will be released from all liability except for the duty to account for items previously delivered out of escrow. If Escrow Agent is a licensed real estate broker, Escrow Agent will comply with Washington law. In any suit in which Escrow Agent interpleads the escrowed items or is made a party because of acting as Escrow Agent hereunder, Escrow Agent will recover reasonable attorneys' fees and costs incurred, with these amounts to be paid from and out of the Escrow Money and charged and awarded as court costs in favor of the prevailing party.

XX. SELLER'S DEFAULT. If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Seller's default or failure to perform hereunder, Buyer may, at Buyer's option and as its sole remedy, elect to either: (i) specifically enforce the terms hereof; or (ii) demand and be entitled to an immediate refund of the Escrow Money, in which case this Agreement shall terminate in full.

XXI. BUYER'S DEFAULT. If the sale and purchase of the Property contemplated by this Agreement is not consummated on account of Buyer's default hereunder, Seller shall be entitled, as its sole and exclusive remedy hereunder, to receipt of the Escrow Money amount as full and complete liquidated damages for such default of Buyer. The Parties hereby acknowledge that it is impossible to estimate more precisely the damages which might be suffered by Seller upon Buyer's default of this Agreement or any duty arising in connection or relating herewith. Seller's entitlement to and receipt of the Escrow Money is intended not as a penalty, but as full and complete liquidated damages. The right to retain such sums as full liquidated damages is Seller's sole and exclusive remedy in the event of default or failure to perform hereunder by Buyer, and Seller hereby waives and releases any right to (and hereby covenants that it shall not) sue Buyer for any claims, injury, or loss arising from or in connection with this Agreement, including without limitation: (i) for specific performance of this Agreement; or (ii) to recover any damages in excess of such liquidated damages.

XXII. ATTORNEYS' FEES. In any claim or controversy arising out of or relating to this Agreement, the prevailing party, which for purposes of this provision shall include the Buyer, Seller, and any real estate agent, will be awarded reasonable attorneys' fees, costs, and expenses.

XXIII. DAMAGE TO THE PROPERTY. If the property is damaged, by fire or other casualty, after the Effective Date and before the Closing, the Seller will bear the risk of loss and the Buyer may cancel this Agreement without liability and the Escrow Money shall be returned to the Buyer. Alternatively, the Buyer will have the option of purchasing the Property at the agreed-upon Purchase Price and the Seller will credit the deductible, if any, and transfer to the Buyer at Closing any insurance proceeds or Seller's claim to any insurance proceeds payable for the damage. The Seller will cooperate with and assist the Buyer in collecting



Buyer's Initials _____ Seller's Initials _____

any such proceeds. The Seller shall not settle any insurance claim for damage caused by casualty without the consent of the Buyer.

Furthermore, if any part of the Property, after the Effective Date and before the Closing, is taken in condemnation or under the right of eminent domain, or proceedings for such taking are pending or threatened, the Buyer may cancel this Agreement without liability and the Escrow Money will be returned to the Buyer. Alternatively, the Buyer will have the option of purchasing what is left of the Property at the agreed-upon Purchase Price and the Seller will transfer to the Buyer at Closing the proceeds of any award or the Seller's claim to any award payable for the taking. The Seller will cooperate with and assist the Buyer in collecting such an award.

XXIV. OPERATION OF PROPERTY DURING AGREEMENT PERIOD. The Seller will continue to operate the Property and any business conducted on the Property in the manner operated prior to the Agreement and will take no action that would adversely impact the Property, tenants, lender, or business, if any. Any changes, such as renting vacant space, that materially affects the Property or the Buyer's intended use will be permitted only with the Buyer's consent.

XXV. CLOSING PROCEDURE. Unless otherwise agreed or stated herein, the Closing shall be in accordance with the laws located in the State of Washington.

a.) **Possession and Occupancy.** The Seller will deliver possession and occupancy of the Property to the Buyer at Closing. The Seller shall provide access to all locks, including keys, remote controls, and any security/access codes, necessary to operate all locks, mailboxes, and security systems.

b.) **Costs.** The Buyer will pay the Buyer's attorneys' fees, taxes, and recording fees on notes, mortgages, and financing statements and recording fees for the deed. The Seller will pay the Seller's attorneys' fees, taxes on the deed, and recording fees for documents needed to cure title defects.

c.) **Documents.** The Seller will provide: the deed, the bill of sale, mechanic's lien affidavit, originals of those assignable service and maintenance contracts that will be assumed by the Buyer after the Closing, letters to each service contractor from the Seller advising each of them of the sale of the Property, and if applicable, the transfer of its contract, and any assignable warranties or guarantees received or held by the Seller from any manufacturer, contractor, subcontractor, or material supplier in connection with the Property; current copies of the condominium documents, if applicable; assignments of leases and updated rent roll; tenant and lender estoppel letters; tenant subordination, non-disturbance and attornment agreements (SNDA's) required by the Buyer or the Buyer's lender; assignments of permits and licenses; corrective instruments; and letters notifying tenants of the change in ownership/rental agent. If any tenant refuses to execute an estoppel letter, the Seller will certify to the buyer that the lease is correct. If the Seller is an entity, the Seller will deliver a resolution of its Board of Directors authorizing the sale and delivery of the deed and certification by the appropriate party certifying the resolution and setting forth facts showing the conveyance conforms to the requirements of local law. The Seller will transfer security deposits to the Buyer. The



Buyer's Initials _____ Seller's Initials _____

Buyer will provide the closing statement, mortgages and notes, security agreements, and financing statements.

d.) **Taxes and Prorations.** The real estate taxes, personal property taxes on any tangible personal property, bond payments assumed by the Buyer, interest, rents (based on actual collected rents), association dues, insurance premiums acceptable to Buyer, and operating expenses will be prorated through the day before Closing. If the amount of taxes for the current year cannot be ascertained, rates for the previous year will be used with due allowance being made for improvements and exemptions. Any tax proration based on an estimate will, at the request of either party, be readjusted upon receipt of the current year's tax bill; this provision will survive the Closing.

e.) **Special Assessment Liens.** Certified, confirmed, and ratified special assessment liens as of the Closing will be paid by the Seller. If a certified, confirmed, and ratified special assessment is payable in installments, the Seller will pay all installments due and payable on or before the Closing, with any installment for any period extending beyond the Closing prorated, and the Buyer will assume all installments that become due and payable after the Closing. The Buyer shall be responsible for all assessments of any kind which become due and owing after the Closing, unless an improvement is substantially completed as of the Closing. If an improvement is substantially completed as of the Closing but has not resulted in a lien before Closing, the Seller will pay an amount of the last estimate of the assessment. This subsection applies to special assessment liens imposed by a public body and does not apply to condominium association special assessments.

XXVI. RECORDING. Buyer and Seller agree that before the recording of the deed can take place, funds provided shall be in one (1) of the following forms: cash, interbank electronic transfer, money order, certified check or cashier's check drawn on a financial institution located in the State of Washington, or any above combination that permits the Seller to convert the deposit to cash no later than the next business day.

XXVII. ACCEPTANCE. Seller warrants that Seller is the owner of the Property or has the authority to execute this Agreement. Therefore, by the Seller's authorization below, he/she/they accept the above offer and agrees to sell the Property on the above terms and conditions and agrees to the agency relationships in accordance with any agreement(s) made with a licensed real estate agent(s). The Seller has read and acknowledges receipt of a copy of this Agreement and authorizes any licensed real estate agent(s) to deliver a signed copy to the Buyer.

Delivery may be in any of the following: (i) hand delivery; (ii) email under the condition that the party transmitting the email receives electronic confirmation that the email was received to the intended recipient; and (iii) by facsimile to the other party or the other party's licensee, but only if the transmitting fax machine prints a confirmation that the transmission was successful.

a.) **Real Estate Agent(s).** If Buyer or Seller have hired the services of the licensed real estate agent(s) to perform representation on their behalf, he/she/they shall be entitled to payment for their services as outlined in their separate written agreement.



Buyer's Initials _____ Seller's Initials _____

XXVIII. BINDING EFFECT. This Agreement shall be for the benefit of, and be binding upon, the Parties, their heirs, successors, legal representatives, and assigns, which, therefore, constitutes the entire agreement between the Parties. No modification of this Agreement shall be binding unless signed by both Buyer and Seller.

XXIX. SEVERABILITY. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, will be inoperative.

XXX. DISCLOSURES. The following disclosures are attached to this Agreement and required to be read and signed by the Parties:

- a.) _____
- b.) _____
- c.) _____
- d.) _____

XXXI. DISPUTE RESOLUTION. Buyer and Seller agree to mediate any dispute or claim arising out of this Agreement, or in any resulting transaction, before resorting to arbitration or court action.

- a.) **Mediation.** If a dispute arises between or among the Parties, and it is not resolved prior to or after recording, the Parties shall first proceed in good faith to submit the matter to mediation. Costs related to mediation shall be mutually shared between or among the Parties. Unless otherwise agreed in mediation, the Parties retain their rights to proceed to arbitration or litigation.
- b.) **Arbitration.** The Parties agree that any dispute or claim in law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The arbitrator is required to be a retired judge or justice, or an attorney with at least five (5) years of residential real estate law experience, unless the Parties mutually agree to a different arbitrator. Under arbitration, the Parties shall have the right to discovery in accordance with Washington law. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this Agreement to arbitrate shall be governed by the Federal Arbitration Act.
- c.) **Exclusions.** The following matters shall be excluded from the mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed, mortgage or installment land sale contract as defined in accordance with Washington law; (ii) an unlawful detainer action, forcible entry detainer, eviction action, or equivalent; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of probate, small claims, or bankruptcy court. The filing of court action to enable the recording of a notice of pending action, for an order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions of this Section.



Buyer's Initials Seller's Initials

XXXII. TERMS AND CONDITIONS OF OFFER. This is an offer to purchase the Property in accordance with the above-stated terms and conditions of this Agreement. If at least one, but not all, of the Parties initial such pages, a counteroffer is required until an agreement is reached. The Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of acceptance. If this offer is accepted and the Buyer subsequently defaults, the Buyer may be responsible for payment of licensed real estate agent(s) compensation. This Agreement and any supplement, addendum, or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

XXXIII. GOVERNING LAW. This Agreement shall be interpreted in accordance with the laws in the State of Washington ("Governing Law").



XXXIV. OFFER EXPIRATION. This offer to purchase the Property as outlined in this Agreement shall be deemed revoked, and the Earnest Money shall be returned, unless this Agreement is signed by Seller and a copy of this Agreement is personally given to the Buyer by October 15, 2021, at 5:00 AM PM.

a.) Effective Date. The "Effective Date" of this Agreement is the date on which the last one of the Parties has signed or initialed and delivered this offer or the final counteroffer. Calendar days will be computed without including Saturday, Sunday, or national legal holidays. Any time period ending on a Saturday, Sunday, or national legal holiday will extend until 5:00 p.m. local time of the next business day. Time is of the essence in this Agreement.

XXXV. ADDITIONAL TERMS & CONDITIONS. _____

XXXVI. ENTIRE AGREEMENT. This Agreement, together with any attached addendums or disclosures, shall supersede any and all other prior understandings and agreements, either oral or in writing, between the Parties with respect to the subject matter hereof and shall constitute the sole and only agreements between the Parties with respect to the said Property. All prior negotiations and agreements between the Parties with respect to the Property hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party which are not embodied in this Agreement, and that any agreement, statement, or promise that is not contained in this Agreement shall not be valid or binding or of any force or effect.

IN WITNESS WHEREOF, the Parties have indicated their acceptance of the terms of this Agreement by their signatures below on the dates indicated.

Seller's Signature: _____ **Date:** _____



Buyer's Initials Seller's Initials

**SELLER DISCLOSURE STATEMENT†
UNIMPROVED PROPERTY**

SELLER: Grays Harbor Drug Task Force

† To be used in transfers of unimproved residential real property, including property zoned for residential use that is not improved by one or more residential dwelling units, a residential condominium, a residential timeshare or a mobile or manufactured home. Unimproved residential real property does not include commercial real estate as defined in RCW 60.42.005 or property defined as "timber land" under RCW 84.34.020. See RCW Chapter 64.06 for further explanations.

INSTRUCTIONS TO THE SELLER

Please complete the following form. Do not leave any spaces blank. If the question clearly does not apply to the property write "NA." If the answer is "yes" to any asterisked (*) item(s), please explain on attached sheets. Please refer to the line number(s) of the question(s) when you provide your explanation(s). For your protection you must date and initial each page of this disclosure statement and each attachment. Delivery of the disclosure statement must occur not later than five (5) business days, unless otherwise agreed, after mutual acceptance of a written purchase and sale agreement between a Buyer and Seller.

NOTICE TO THE BUYER

THE FOLLOWING DISCLOSURES ARE MADE BY SELLER ABOUT THE CONDITION OF THE PROPERTY LOCATED AT See attachment A

CITY McCleary, COUNTY Grays Harbor, ("THE PROPERTY") OR AS LEGALLY DESCRIBED ON THE ATTACHED EXHIBIT A. SELLER MAKES THE FOLLOWING DISCLOSURES OF EXISTING MATERIAL FACTS OR MATERIAL DEFECTS TO BUYER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE STATEMENT. UNLESS YOU AND SELLER OTHERWISE AGREE IN WRITING, YOU HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO YOU TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. IF THE SELLER DOES NOT GIVE YOU A COMPLETED DISCLOSURE STATEMENT, THEN YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A PURCHASE AND SALE AGREEMENT.

THE FOLLOWING ARE DISCLOSURES MADE BY SELLER AND ARE NOT THE REPRESENTATIONS OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. THIS INFORMATION IS FOR DISCLOSURE ONLY AND IS NOT INTENDED TO BE A PART OF ANY WRITTEN AGREEMENT BETWEEN BUYER AND SELLER.

FOR A MORE COMPREHENSIVE EXAMINATION OF THE SPECIFIC CONDITION OF THIS PROPERTY YOU ARE ADVISED TO OBTAIN AND PAY FOR THE SERVICES OF QUALIFIED EXPERTS TO INSPECT THE PROPERTY, WHICH MAY INCLUDE, WITHOUT LIMITATION, ARCHITECTS, ENGINEERS, LAND SURVEYORS, PLUMBERS, ELECTRICIANS, ROOFERS, BUILDING INSPECTORS, ON-SITE WASTEWATER TREATMENT INSPECTORS, OR STRUCTURAL PEST INSPECTORS. THE PROSPECTIVE BUYER AND SELLER MAY WISH TO OBTAIN PROFESSIONAL ADVICE OR INSPECTIONS OF THE PROPERTY OR TO PROVIDE APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN THEM WITH RESPECT TO ANY ADVICE, INSPECTION, DEFECTS OR WARRANTIES.

Seller is/ is not occupying the property.

I. SELLER'S DISCLOSURES:

* If you answer "Yes" to a question with an asterisk (*), please explain your answer and attach documents, if available and not otherwise publicly recorded. If necessary, use an attached sheet.

	YES	NO	DON'T KNOW	
1. TITLE				
A. Do you have legal authority to sell the property? If no, please explain.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	41
*B. Is title to the property subject to any of the following?				42
(1) First right of refusal	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	43
(2) Option	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	44
(3) Lease or rental agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	45
(4) Life estate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	46
*C. Are there any encroachments, boundary agreements, or boundary disputes?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	47
*D. Is there a private road or easement agreement for access to the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	48
*E. Are there any rights-of-way, easements, or access limitations that affect the Buyer's use of the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	49
*F. Are there any written agreements for joint maintenance of an easement or right of way?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	50
*G. Is there any study, survey project, or notice that would adversely affect the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	51
*H. Are there any pending or existing assessments against the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	52
*I. Are there any zoning violations, nonconforming uses, or any unusual restrictions on the property that affect future construction or remodeling?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	54
*J. Is there a boundary survey for the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	55
*K. Are there any covenants, conditions, or restrictions recorded against title to the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	56

PLEASE NOTE: Covenants, conditions, and restrictions which purport to forbid or restrict the conveyance, encumbrance, occupancy, or lease of real property to individuals based on race, creed, color, sex, national origin, familial status, or disability are void, unenforceable, and illegal. RCW 49.60.224.

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

**SELLER DISCLOSURE STATEMENT
 UNIMPROVED PROPERTY**

(Continued)

	YES	NO	DON'T KNOW	
2. WATER				60
A. Household Water				61
(1) Does the property have potable water supply?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	62
(2) If yes, the source of water for the property is:				63
<input type="checkbox"/> Private or publicly owned water system				64
<input type="checkbox"/> Private well serving only the property				65
* <input type="checkbox"/> Other water system				66
*If shared, are there any written agreements?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	67
*(3) Is there an easement (recorded or unrecorded) for access to and/or maintenance				68
of the water source?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	69
*(4) Are there any problems or repairs needed?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	70
(5) Is there a connection or hook-up charge payable before the property can be connected				71
to the water main?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	72
(6) Have you obtained a certificate of water availability from the water purveyor serving				73
the property? (If yes, please attach a copy.).....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	74
(7) Is there a water right permit, certificate, or claim associated with household water				75
supply for the property? (If yes, please attach a copy.).....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	76
(a) If yes, has the water right permit, certificate, or claim been assigned,				77
transferred, or changed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	78
*(b) If yes, has all or any portion of the water right not been used for five or more				79
successive years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	80
(c) If no or don't know, is the water withdrawn from the water source less than 5,000 gallons a day?....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	81
*(8) Are there any defects in the operation of the water system (e.g. pipes, tank, pump, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	82
B. Irrigation Water				83
(1) Are there any irrigation water rights for the property, such as a water right permit,				84
certificate, or claim? (If yes, please attach a copy.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	85
(a) If yes, has all or any portion of the water right not been used for five or more				86
successive years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	87
(b) If yes, has the water right permit, certificate, or claim been assigned,				88
transferred, or changed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	89
*(2) Does the property receive irrigation water from a ditch company, irrigation				90
district, or other entity? If so, please identify the entity that supplies irrigation water to				91
the property: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	92
C. Outdoor Sprinkler System				93
(1) Is there an outdoor sprinkler system for the property?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	94
*(2) If yes, are there any defects in the system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	95
*(3) If yes, is the sprinkler system connected to irrigation water?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	96
3. SEWER/SEPTIC SYSTEM				97
A. The property is served by:				98
<input type="checkbox"/> Public sewer system				99
<input type="checkbox"/> On-site sewage system (including pipes, tanks, drainfields, and all other component parts)				100
<input type="checkbox"/> Other disposal system				101
Please describe: _____				102
B. Is the property subject to any sewage system fees or charges in addition to those covered in your				103
regularly billed sewer or on-site sewage system maintenance service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	104
				105

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

**SELLER DISCLOSURE STATEMENT
 UNIMPROVED PROPERTY**

(Continued)

	YES	NO	DON'T KNOW	
C. If the property is connected to an on-site sewage system:				106
*(1) Was a permit issued for its construction?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	107
*(2) Was it approved by the local health department or district following its construction?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	109
(3) Is the septic system a pressurized system?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	110
(4) Is the septic system a gravity system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	111
*(5) Have there been any changes or repairs to the on-site sewage system?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	112
(6) Is the on-site sewage system, including the drainfield, located entirely				113
within the boundaries of the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	114
If no, please explain: _____				115
*(7) Does the on-site sewage system require monitoring and maintenance services more				116
frequently than once a year?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	117
				118
4. ELECTRICAL/GAS				119
A. Is the property served by natural gas?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	120
B. Is there a connection charge for gas?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	121
C. Is the property served by electricity?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	122
D. Is there a connection charge for electricity?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	123
*E. Are there any electrical problems on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	124
5. FLOODING				125
A. Is the property located in a government designated flood zone or floodplain?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	126
6. SOIL STABILITY				127
*A. Are there any settlement, earth movement, slides, or similar soil problems on the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	128
7. ENVIRONMENTAL				129
*A. Have there been any flooding, standing water, or drainage problems on the property that affect				130
the property or access to the property?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	131
*B. Does any part of the property contain fill dirt, waste, or other fill material?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	132
*C. Is there any material damage to the property from fire, wind, floods, beach movements,				133
earthquake, expansive soils, or landslides?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	134
D. Are there any shorelines, wetlands, floodplains, or critical areas on the property?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	135
*E. Are there any substances, materials, or products in or on the property that may be environmental				136
concerns, such as asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical				137
storage tanks, or contaminated soil or water?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	138
*F. Has the property been used for commercial or industrial purposes?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	139
*G. Is there any soil or groundwater contamination?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	140
*H. Are there transmission poles or other electrical utility equipment installed, maintained,				141
or buried on the property that do not provide utility service to the structures on the property?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	142
*I. Has the property been used as a legal or illegal dumping site?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	143
*J. Has the property been used as an illegal drug manufacturing site?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	144
*K. Are there any radio towers that cause interference with cellular telephone reception?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	145

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

**SELLER DISCLOSURE STATEMENT
 UNIMPROVED PROPERTY**

(Continued)

	YES	NO	DON'T KNOW	
8. HOMEOWNERS' ASSOCIATION/COMMON INTERESTS				146
A. Is there a homeowners' association?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	147
Name of association and contact information for an officer, director, employee, or other authorized agent, if any, who may provide the association's financial statements, minutes, bylaws, fining policy, and other information that is not publicly available:				149
_____				150
_____				151
B. Are there regular periodic assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	152
\$ _____ per <input type="checkbox"/> month <input type="checkbox"/> years				153
<input type="checkbox"/> Other _____				154
*C. Are there any pending special assessments?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	155
*D. Are there any shared "common areas" or any joint maintenance agreements (facilities such as walls, fences, landscaping, pools, tennis courts, walkways, or other areas co-owned in undivided interest with others)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	156
				157
				158
				159
9. OTHER FACIS				160
*A. Are there any disagreements, disputes, encroachments, or legal actions concerning the property?.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	161
*B. Does the property have any plants or wildlife that are designated as species of concern, or listed as threatened or endangered by the government?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	162
*C. Is the property classified or designated as forest land or open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	163
D. Do you have a forest management plan? If yes, attach.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	164
*E. Have any development-related permit applications been submitted to any government agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	165
If the answer to E is "yes," what is the status or outcome of those applications?				166
_____				167
_____				168
F. Is the property located within a city, county, or district or within a department of natural resources fire protection zone that provides fire protection services?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	169
				170
10. FULL DISCLOSURE BY SELLERS				171
A. Other conditions or defects:				172
*Are there any other existing material defects affecting the property that a prospective buyer should know about?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	173
				174
B. Verification				175
The foregoing answers and attached explanations (if any) are complete and correct to the best of Seller's knowledge and Seller has received a copy hereof. Seller agrees to defend, indemnify and hold real estate licensees harmless from and against any and all claims that the above information is inaccurate. Seller authorizes real estate licensees, if any, to deliver a copy of this disclosure statement to other real estate licensees and all prospective buyers of the property.				176
				177
				178
				179
Date: _____ Date: _____				180
Seller: _____ Seller: _____				181
NOTICES TO THE BUYER				182
SEX OFFENDER REGISTRATION				183
INFORMATION REGARDING REGISTERED SEX OFFENDERS MAY BE OBTAINED FROM LOCAL LAW ENFORCEMENT AGENCIES. THIS NOTICE IS INTENDED ONLY TO INFORM YOU OF WHERE TO OBTAIN THIS INFORMATION AND IS NOT AN INDICATION OF THE PRESENCE OF REGISTERED SEX OFFENDERS.				184
				185
				186
PROXIMITY TO FARMING				187
THIS NOTICE IS TO INFORM YOU THAT THE REAL PROPERTY YOU ARE CONSIDERING FOR PURCHASE MAY LIE IN CLOSE PROXIMITY TO A FARM. THE OPERATION OF A FARM INVOLVES USUAL AND CUSTOMARY AGRICULTURAL PRACTICES, WHICH ARE PROTECTED UNDER RCW 7.48.305, THE WASHINGTON RIGHT TO FARM ACT.				188
				189
				190

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

**SELLER DISCLOSURE STATEMENT
UNIMPROVED PROPERTY**

(Continued)

II. BUYER'S ACKNOWLEDGEMENT 191

Buyer hereby acknowledges that: 192

A. Buyer has a duty to pay diligent attention to any material defects that are known to Buyer or can be known to Buyer by utilizing diligent attention and observation. 193
194

B. The disclosures set forth in this statement and in any amendments to this statement are made only by the Seller and not by any real estate licensee or other party. 195
196

C. Buyer acknowledges that, pursuant to RCW 64.06.050 (2), real estate licensees are not liable for inaccurate information provided by Seller, except to the extent that real estate licensees know of such inaccurate information. 197
198

D. This information is for disclosure only and is not intended to be a part of the written agreement between the Buyer and Seller. 199

E. Buyer (which term includes all persons signing the "Buyer's acceptance" portion of this disclosure statement below) has received a 200 copy of this Disclosure Statement (including attachments, if any) bearing Seller's signature(s). 201

DISCLOSURES CONTAINED IN THIS DISCLOSURE STATEMENT ARE PROVIDED BY SELLER BASED ON SELLER'S ACTUAL KNOWLEDGE OF THE PROPERTY AT THE TIME SELLER COMPLETES THIS DISCLOSURE. UNLESS BUYER AND SELLER OTHERWISE AGREE IN WRITING, BUYER SHALL HAVE THREE (3) BUSINESS DAYS FROM THE DAY SELLER OR SELLER'S AGENT DELIVERS THIS DISCLOSURE STATEMENT TO RESCIND THE AGREEMENT BY DELIVERING A SEPARATELY SIGNED WRITTEN STATEMENT OF RESCISSION TO SELLER OR SELLER'S AGENT. YOU MAY WAIVE THE RIGHT TO RESCIND PRIOR TO OR AFTER THE TIME YOU ENTER INTO A SALE AGREEMENT. 202
203
204
205
206
207

BUYER HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT AND ACKNOWLEDGES THAT THE DISCLOSURES MADE HEREIN ARE THOSE OF THE SELLER ONLY, AND NOT OF ANY REAL ESTATE LICENSEE OR OTHER PARTY. 208
209
210

DATE: _____ DATE: _____ 211

BUYER: _____ BUYER: _____ 212

BUYER'S WAIVER OF RIGHT TO REVOKE OFFER 213

Buyer has read and reviewed the Seller's responses to this Seller Disclosure Statement. Buyer approves this statement and waives Buyer's right to revoke Buyer's offer based on this disclosure. 214
215

DATE: _____ DATE: _____ 216

BUYER: _____ BUYER: _____ 217

BUYER'S WAIVER OF RIGHT TO RECEIVE COMPLETED SELLER DISCLOSURE STATEMENT 218

Buyer has been advised of Buyer's right to receive a completed Seller Disclosure Statement. Buyer waives that right. However, if the answer to any of the questions in the section entitled "Environmental" would be "yes," Buyer may not waive the receipt of the "Environmental" section of the Seller Disclosure Statement. 219
220
221

DATE: _____ DATE: _____ 222

BUYER: _____ BUYER: _____ 223

If the answer is "Yes" to any asterisked (*) items, please explain below (use additional sheets if necessary). Please refer to the line number(s) of the question(s). 224
225

~~Parcel 618051112007 likely contains a cell tower. Parcel maps show the towers should be located off the property. A cell tower lease agreement recording number 2003-02180102. The status of this tower and lease is unknown. It has not been confirmed if the cell tower is on Parcel 618051112007.~~ 226
227
228

_____ 229

_____ 230

_____ 231

_____ 232

_____ 233

SELLER'S INITIALS: _____ DATE: _____ SELLER'S INITIALS: _____ DATE: _____

Exhibit "A"

Tax Parcel Numbers: 618051120000 approximately 232 acres, (including on property a steel warehouse approximately 2200 square feet in size with septic and well). 618051044001 approximately 41.05 acres, 618051133003 approximately 32 acres, 618051134007 approximately 27.84 acres, 618051112007 approximately 14 acres

Legal Descriptions:

THE NORTHWEST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 11. TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN; EXCEPT NORTHERN PACIFIC RAILWAY RIGHT-OF-WAY; SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON.
Assessor's Tax Parcel No. 618051120000

ALL THAT PORTION OF THE SOUTH HALF OF THE SOUTHEAST QUARTER OF SECTION 10, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, LYING SOUTHERLY OF THE RIGHT-OF-WAY OF THE NORTHERN PACIFIC RAILWAY COMPANY; EXCEPTING THEREFROM THE FOLLOWING:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, 895 FEET EAST OF THE SOUTH QUARTER CORNER THEREOF; THENCE, NORTH, PARALLEL WITH THE EAST LINE OF SAID SECTION TO THE SOUTHERLY RIGHT-OF-WAY LINE OF THE NORTHERN PACIFIC RAILWAY COMPANY;

THENCE SOUTHWESTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE SOUTH LINE OF SAID SECTION; THENCE EAST ALONG THE SOUTH LINE OF SAID SECTION TO THE POINT OF BEGINNING; ALSO EXCEPTING THEREFROM THE FOLLOWING:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SECTION, 1025 FEET WEST OF THE SOUTHEAST CORNER OF SAID SECTION; THENCE NORTH 400 FEET: THENCE WEST 200 FEET: THENCE SOUTH 400 FEET TO THE SOUTH LINE OF SAID SECTION; THENCE EAST ALONG SAID SOUTH LINE 200 FEET TO THE POINT OF BEGINNING; ALSO EXCEPTING RIGHTS OF WAY FOR PUBLIC ROADS; SITUATE IN THE COUNTY OF GRAYS HARBOR. STATE OF WASHINGTON.

Assessor's Tax Parcel No. 618051044001

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, EXCEPTING THEREFROM THE EAST 112 FEET OF THE SOUTH 830 FEET THEREOF; ALSO EXCEPTING THEREFROM THE WEST 726 FEET OF THE SOUTH 330 FEET THEREOF: ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF LYING WITHIN THE RIGHT-OF-WAY OF THE OLD OLYMPIC HIGHWAY RUNNING ALONG THE SOUTHERLY LINE OF SAID TRACT;

SITUATE IN THE COUNTY OF GRAYS HARBOR. STATE OF WASHINGTON.

Assessor's Tax Parcel No. 618051 133003

ALL THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, LYING NORTH OF OLD OLYMPIC HIGHWAY;

EXCEPTING THEREFROM THE FOLLOWING:

BEGINNING AT THE INTERSECTION OF THE EAST LINE OF SAID SUBDIVISION WITH THE NORTH LINE OF OLYMPIC HIGHWAY;

THENCE WEST ALONG SAID NORTH HIGHWAY LINE 285 FEET;

THENCE NORTH 484 FEET, MORE OR LESS, TO THE SOUTH LINE OF ASH STREET, AS PLATTED IN THE THIRD ADDITION TO THE TOWNSITE OF MCCLEARY, AS PER PLAT RECORDED IN VOLUME 6 OF PLATS, PAGE 56, RECORDS OF GRAYS HARBOR COUNTY, PRODUCED WEST;

THENCE EAST ALONG SAID PRODUCED SOUTH LINE OF ASH STREET, 285 FEET MORE OR LESS TO THE EAST LINE OF SAID SUBDIVISION;

THENCE SOUTH, ALONG SAID EAST LINE OF SAID SUBDIVISION TO THE TRUE POINT OF BEGINNING;

ALSO EXCEPTING THEREFROM THE FOLLOWING:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID OLD OLYMPIC HIGHWAY WHICH IS 285 FEET WEST OF ITS INTERSECTION WITH THE EAST LINE OF SAID SUBDIVISION;

THENCE WEST ALONG THE NORTH LINE OF SAID SUBDIVISION TO A POINT 360 FEET EAST OF THE WEST LINE OF SAID SUBDIVISION;

THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID SUBDIVISION, 416 FEET;

THENCE EAST, PARALLEL WITH THE NORTH LINE OF OLD OLYMPIC HIGHWAY TO AN INTERSECTION WITH THE WEST LINE OF A TRACT OF LAND CONVEYED TO TOWN OF MCCLEARY BY DEED DATED FEBRUARY 15, 1967 AND RECORDED JUNE 26, 1967, UNDER AUDITOR'S FILE NO. 189724, RECORDS OF GRAYS HARBOR COUNTY;

THENCE SOUTH ALONG THE WEST LINE OF SAID TRACT 416 FEET TO THE POINT OF BEGINNING;

ALSO EXCEPTING THEREFROM THE SOUTH 300 FEET OF THE WEST 360 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, LYING NORTH OF OLD OLYMPIC HIGHWAY;

SITUATE IN THE COUNTY OF GRAYS HARBOR, STATE OF WASHINGTON
ASSESSOR'S PARCEL NUMBER 618051134007

THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN.

LESS NORTHERN PACIFIC RAILROAD RIGHT-OF-WAY AND LESS THE COUNTY ROAD:
LESS THAT PORTION OF THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER SECTION 11, TOWNSHIP 18 NORTH, RANGE 5 WEST OF THE WILLAMETTE MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH ALONG THE WEST LINE, 281 FEET; THENCE EASTERLY 669 FEET, MORE OR LESS, TO A POINT IN THE EAST LINE OF SAID TRACT 330 FEET SOUTH OF NORTHEAST CORNER

THEREOF; THENCE NORTH ALONG THE EAST LINE OF SAID TRACT, 330 FEET;

THENCE WEST ALONG THE NORTH LINE OF SAID TRACT, 669 FEET, MORE OR LESS TO

THE POINT OF BEGINNING. SITUATE IN THE COUNTY OF GRAVS HARBOR, STATE OF WASHINGTON.

Assessor's Tax Parcel No. 618051112007

All subject to review and correction by issuer of Title Insurance Policy listed in the Purchase and Sale Agreement.

Initials: Buyer _____ Date _____ Seller _____ Date _____