Sale of S 28 T 23 R 43 1972

FILED OR RECORDED
REQUEST OF PIONEER NATIONAL TITLE

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VERNON OHLAND, AUDITOR
SPOKANE COUNTY, WASH.
DEPUTY

Hall

Bax

C-77600

REAL ESTATE CONTRACT

THIS REAL ESTATE CONTRACT made and entered into this 25 day of May, 1972 by and between C. PHILIP HALL and JANIS L. HALL, husband and wife, hereinafter called the Sellers, and CHADWICK F. BAXTER AND JEAN C. BAXTER, husband and wife, hereinafter called the Buyers, WITNESSETH:

The sellers agree to sell to the buyers and the buyers agree to purchase from the sellers, upon the terms and conditions hereinafter set forth, certain real estate situated in Spokane County, State of Washington, the full legal description of which is attached hereto as Exhibit "A" and by this reference made a part of this agreement.

The terms and conditions of this contract are as follows:

1. PURCHASE PRICE: The purchase price for the property described on Exhibit "A" shall be $50,000.00, which the buyers agree to pay in the following manner:

(a) Down payment of $10,800.00 payable in cash forthwith upon the signing of this contract.

(b) Of the remaining unpaid balance $9,200.00 thereof shall be paid as follows: $2,000.00 plus interest on said $9,200.00 computed at the rate of 6% per annum from this date, on May 1, 1973 and $2,000.00 plus interest at the rate of 6% per annum on the declining unpaid balance of said $9,200.00 on the first day of May of each year thereafter until said $9,200.00 together with interest thereon as herein provided has been paid in full. In the absence of any acceleration the last principal payment under this subparagraph shall be due May 1, 1977 in the amount of $1,200.00. The buyers may accelerate their payments hereunder in any amount at any time after January 1, 1973. All payments made by the buyers under this paragraph 1(b) shall be remitted by the escrow agent to the sellers.

(c) The remaining $30,000.00 of said purchase price shall be paid as follows: $700.00 plus interest on said $30,000.00 computed from this date at the rate of 6% per annum on January 15, 1973 and $700.00 plus interest at the rate of 6% per annum computed on the declining balance of said $30,000.00 on the 15th day of January of each year thereafter until said unpaid balance of $30,000.00 together with interest thereon as herein provided has been paid in full. As to payments being made on the $30,000.00 portion of the unpaid balance, the buyers may make acceleration only in accordance with the repayment privileges and subject to repayment penalties as provided in that certain mortgage from the sellers to Prudential Life Insurance Company which is more fully referred to in paragraph 2, and should the buyers elect to accelerate any of their payments hereunder and should such acceleration result in prepayment penalties under the Prudential mortgage the buyers shall pay the escrow agent the amount of such penalties for remittance to Prudential.

(d) All payments by the buyers under both paragraphs (b) and (c) shall be applied first to interest and the remainder to principal.

2. PRUDENTIAL MORTGAGE: The property which is the subject of this contract, together with certain other property, is subject to a mortgage from the sellers and Bertha R. Hall to Prudential Life Insurance Company dated August 12, 1965 filed for record August 31, 1965 as Document No. 136011C and recorded in Book 1095 of Mortgages, page 82. Said mortgage covers the property which is the subject of this contract and also the Southeast Quarter of Section 3, Township 22 North, Range 43 E.W.M. owned by Bertha R. Hall, and because said mortgage

1% Excise Tax on Real Estate
Sale, Amt Pd $ 500.00
Date 6/15/72 No. 67036
MERTON L. HOWARD, Co. Treas.

covers property other than that which is the subject of this contract and said property is not severable within the mortgage, the hereinabove provisions of paragraph 1(c) have been agreed upon rather than the unpaid balance of the mortgage being assumed by the buyers with title to the property which is the subject of this contract passing from the sellers to the buyers upon the buyers' making the payments required by paragraph 1(a) and 1(b). Said Prudential mortgage shall remain the responsibility of the Sellers and the other mortgagor, and the buyers, by reason of their obligation to make the payments as required by paragraph 1(c) hereunder, shall have no obligation under said mortgage and the sellers shall hold the buyers harmless from any obligation or liability under said mortgage, and at such time as the total payments required by paragraph 1(b) and 1(c) have been made by the buyers, the sellers shall convey to the buyers the property which is the subject of this contract free and clear of said mortgage. Said Prudential mortgage is payable in annual principal installments of $700.00, plus interest on the mortgage balance at the rate of 6% per annum, on January 15 of each year.

(a) As part of the closing of this transaction and from the down payment being made by the buyers, the sellers shall make all payments due on said mortgage through the installment which was due January 15, 1972 and shall pay such additional amount on principal as will reduce the unpaid principal balance due under said mortgage to $30,000.00 with interest thereon from January 15, o972.

(b) The escrow agent holding this contract, and receiving payments to be made hereunder by the buyers, is hereby instructed to remit to Prudential Life Insurance Company for application on said mortgage all payments to be made by the buyers hereunder under paragraph 1(c). The buyers' January 15, 1973 installment of $700.00 principal plus interest under paragraph 1(c) shall be remitted by the escrow agent forthwith to Prudential in payment of the January 15, 1973 installment due under the Prudential mortgage. For the reason that interest on the $30,000.00 mortgage balance is running from January 15, 1972 rather than from the date of this contract, there will be a small amount of interest owed to Prudential on January 15, 1973 in addition to the amount which will be remitted to Prudential by the escrow agent hereunder. Sellers agree that on or before January 15, 1973 they will make direct payment to Prudential of the additional amount of interest required over and above that to be remitted to Prudential by the escrow agent hereunder by reason of the making by the buyers of the January 15, 1973 installment under paragraph 1(c). After January 15, 1973 the payments of principal and interest by the buyers under paragraph 1(c) will meet the annual installments of principal and interest falling due under the Prudential mortgage.

(c) In the event the sellers and/or the other mortgagor under the Prudential mortgage should accelerate payments under said mortgage in order to procure the release from said mortgage of mortgaged property other than that which is the subject of this contract or for any other reason, then the instructions hereinabove contained to the escrow agent to remit to Prudential all payments made by the buyers under paragraph 1(c) of this contract shall be modified to provide that the payments made by the buyers under paragraph 1(c) shall be remitted by the escrow agent to Prudential only so long as any unpaid balance remains under the Prudential mortgage; and upon the furnishing by the sellers of evidence that the Prudential mortgage has been paid in full and that said mortgage has been released as to the lands which are the subject of this contract, thereafter all payments made by the buyers under paragraph 1(c) of this contract shall be remitted by the escrow agent to the sellers.

(d) All prepayment penalty provisions of the Prudential mortgage shall be applicable to paragraph 1(c) of this contract and the buyers may not accelerate their payments under paragraph 1(c) unless they, at the time of payment, make payment to the escrow agent for remittance to Prudential of whatever prepayment penalty might attach to such accelerated payment being made by the buyers.

3. POSSESSION: The buyers shall have possession of said real estate this date and shall continue in such possession so long as the terms of this contract are fully complied with. During the term of this contract the buyers shall not commit or permit any waste as to any of said property. Effective this date all risk as to said property shall be that of the buyers and no damage to or change in the condition of said premises shall affect any of the obligations of the buyers hereunder.

4. INSPECTION OF PREMISES: The buyers are personally familiar with said real estate and have inspected the same and are agreeing to purchase the same based on their own inspection and evaluation of said real estate and not on any representation by the sellers or any person acting by or for the sellers, and the buyers acknowledge that the full agreement of the parties and all representations whatever they may be are included in this contract.

5. TAXES: Taxes for 1972 shall be prorated between the parties as of this date. Taxes for 1973 and subsequent years during the life of this contract shall be paid by the buyers promptly when due. The failure of the buyers to pay any such taxes promptly when due shall constitute a breach of covenant of this contract.

6. TITLE POLICY, DEED AND ESCROW AGENT: The sellers shall furnish at their expense a policy of title insurance showing title to said real estate in the sellers free of encumbrance except for said Prudential mortgage and easements, restrictions and provisions of record, including scenic easement to State of Washington on approximately 16.45 acres along the highway right-of-way. Upon the closing of this transaction and the issuance of said title policy the sellers shall execute a good and sufficient warranty deed conveying said real estate (as described on Exhibit "A" attached hereto) to the buyers free of encumbrance except as herein stated, with the exception that said mortgage will not be shown in said deed as an encumbrance. Said deed, together with said title policy and a duplicate original of this contract, shall be placed in escrow with Washington Branch, American Commercial Bank, Spokane, Washington, which is hereby appointed escrow agent for this contract. All payments to be made by the buyers shall be paid to the escrow agent for disbursement in accordance with the terms of this contract, and at such time as all payments have been made by the buyers as required by paragraphs 1(a), (b) and (c) of this contract, the escrow agent shall deliver to the buyers the escrowed warranty deed and title policy.

7. CLOSING OF TRANSACTION: The down payment being made by the buyers pursuant to paragraph 1(a) shall not be disbursed by the closing attorney until such time as a preliminary title report has been procured covering all of the sellers' lands in their farm near Spangle, Washington (excepting the quarter section owned by Bertha R. Hall which is not part of this contract) and showing title in sellers thereto, and Exhibit "A" has been prepared for attachment hereto, it being the intention of the parties that this contract covers all of the lands in sellers' farm near Spangle (except the Bertha Hall quarter), with a total acreage, after deduction of highway and road rights-of-way, of approximately 276.49 acres, more or less.

8. RESERVATION: The sellers are reserving the owners' share of all 1972 wheat allotment payments allocable to any of the lands covered by this contract, and the buyers agree to such reservation. The buyers, as part of their possession hereunder, shall be entitled to all growing hay crops on said lands.

9. DEFAULT: Should the buyers fail to make the payments or to keep and perform any of the covenants and agreements herein mentioned, the same shall constitute a forfeiture of this agreement and thereupon the sellers at their option may declare such forfeiture by written notice to the sellers. In case the sellers shall be delinquent in their payments more than 30 days and a notice of forfeiture is sent as herein provided, the buyers agree to pay to the escrow holder for the sellers' cost in the preparation of said notice the sum of $25.00 as a condition precedent to the reinstatement of the contract. At the expiration of 30 days, the terms of this agreement meanwhile not having been complied with, the sellers may enter into said premises and take possession of them, and this agreement shall be at an end and null and void, and the buyers shall forfeit to the sellers as liquidated damages all payments made hereunder, and immediately surrender possession of said premises, but the failure of the sellers to declare a forfeiture at any time upon violation of any of the terms of this contract by the buyers shall be deemed only an indulgence by the sellers of that particular time and shall not be construed to be a waiver of any rights of the sellers specified herein. Any notice, demand or communication to be given by either party to this contract to the other pay shall be in writing and transmitted to the other party by registered or certified mail addressed to the sellers at 1812 North Oak, Colfax, Washington 99111 and to the buyers at E. 130 High Drive, Spokane, Washington 99203, provided that either party may change their place of address by notice to the other party given as herein provided. The mailing and registering or certifying of any such notice, demand or communication as herein provided shall be a sufficient service thereof; and service in any other manner shall be sufficient only if receipt thereof be acknowledged in writing by the party who is served.

10. EFFECT: This contract shall be binding upon the parties hereto, their heirs, successors and assigns. Time is of the essence of this contract.

C. Philip Hall

Janis L. Hall

Sellers

Charles [illegible]

Jean C. Baxter

Buyers

STATE OF WASHINGTON)
) ss.
County of Whitman)

On this day personally appeared before me C. PHILIP HALL and JANIS L. HALL, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 24th day of May, 1972.

Mason DeLeon Ray

Notary Public for State of Washington
Residing at Colfax

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EXHIBIT "A" TO REAL ESTATE CONTRACT
Hall to Baxter

The following is the legal description of the real estate which is the subject of the May 25, 1972 real estate contract between C. Philip Hall and Janis L. Hall, husband and wife, as sellers, and Chadwick F. Baxter and Jean C. Baxter, husband and wife, as purchasers, to which this exhibit "A" is attached:

All that part of the West Half of West Half of Section 28, Township 23 North, Range 43 E.W.M., in Spokane County, Washington, lying southerly and westerly of Primary State Highway No. 3 (Inland Empire Highway), Except right of way acquired by the Spokane and Palouse Railway Company (Now Burlington Northern Inc.); The Southeast Quarter of Section 29, Township 23 North, Range 43 E.W.M., Spokane County, Washington, Except right of way acquired by the Spokane and Palouse Railway Company (now Burlington Northern Inc.); also all that part of the Northeast Quarter of Northeast Quarter and of the South Half of the Northeast Quarter of said Section 29, lying southerly and westerly of Primary State Highway No. 3 (Inland Empire Highway), Except right of way acquired by the Spokane and Palouse Railway Company (now Burlington Northern Inc.).