

WHEN RECORDED RETURN TO:

Pacific Alliance Title, LLC  
311 North Fourth Street, Suite 102  
Yakima, Washington 98901

## REAL ESTATE CONTRACT

April 19, 2010

Grantor: RAMON FARIAS, a married man as his sole and separate property  
Grantee: LUIS E. MENDOZA and ABELINA MENDOZA, husband and wife  
Legal Description (abbreviated): East 50 ft of Lots 14, 15 Blk 1 GOLDENVIEW ADD TO  
N. YAK. (Complete legal on page 1.)  
Assessor's Tax Parcel ID#: 1191320-32472

ANY OPTIONAL PROVISION NOT INITIALED BY ALL PERSONS SIGNING THIS CONTRACT-WHETHER  
INDIVIDUALLY OR AS AN OFFICER OR AGENT-IS NOT PART OF THIS CONTRACT.

1. PARTIES AND DATE: This Contract is entered into on April 19, 2010 between RAMON FARIAS, a married man as his sole and separate property, "Seller," and LUIS E. MENDOZA and ABELINA MENDOZA, husband and wife, as "Buyer."
2. SALE AND LEGAL DESCRIPTION. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the following described real estate in Yakima County, State of Washington:

The East 50 feet of Lots 14 and 15, Block 1, GOLDENVIEW ADDITION TO NORTH YAKIMA, AMENDED PLAT Recorded in Volume "D" of Plats, Page 29, Yakima County, Washington.

(Assessor's Parcel No. 191320-32472)

TOGETHER WITH appurtenances thereunto belonging, including water rights, if any.

SUBJECT TO rights reserved in federal patents, state or railroad deeds, building or use restrictions general to the district; zoning regulations; utility easements of record and rights of way, easements, restrictions, reservations, other servitudes and conditions appearing of record or existing in fact over or upon said property as shown on the plat or visible by inspection and subject to any pending or future adjudication of surface water rights by an appropriate federal and/or state proceeding.

3. PERSONAL PROPERTY. Personal property, if any, included in the sale is as follows: Stove/range and refrigerator. No part of the purchase price is attributed to personal property.

4. (a) PRICE.

Buyer agrees to pay	\$40,000.00	Total Price
Less	\$10,000.00	Down Payment
Results in	\$30,000.00	Amount Financed by Seller

(b) PAYMENT OF AMOUNT FINANCED BY SELLER.

Buyer agrees to pay the sum of \$30,000.00, as follows: \$600.00, or more, at Buyer's option on or before the 5<sup>th</sup> day of MAY, 2010, plus interest from the date first above written at the rate of 5.75% per annum on the declining balance thereof, and a like amount or more on or before the 5<sup>th</sup> day of each and every month thereafter until paid in full.

NOTWITHSTANDING THE ABOVE, THE ENTIRE BALANCE OF PRINCIPAL AND INTEREST IS DUE IN FULL NOT LATER THAN 5-05, 2015.

Payments are applied first to interest and then to principal. Interest shall be computed on declining principal balances.

All payments hereon are to be made to an Escrow Account established at ESCROW PACIFIC, LLC, 311 North Fourth Street, Suite 106, Yakima, Washington 98901, with Seller and Purchaser each paying one-half of the cost of establishing the account as well as each paying one-half of the on-going annual fees charged by the Escrow Agent. Escrow Agent shall hold the fulfillment deed on this Contract.

5. FULFILLMENT DEED. Upon payment of all amounts due Seller, Seller agrees to deliver to Buyer a Statutory Warranty Deed in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrances assumed by Buyer or to defects in title arising subsequent to the date of this Contract by, through, or under persons other than the Seller herein. Any personal property included in the sale shall be included in the fulfillment deed.
6. LATE CHARGES. If any payment on the purchase price is not made within ten (10) days after the date it is due, Buyer agrees to pay a late charge equal to 5% of the amount of such payment. Such late payment charge shall be in addition to all other remedies available to Seller and the first amounts received from Buyer after such late charges are due shall be applied to the late charges.
7. POSSESSION. Buyer is entitled to possession of the property from and after the date of Closing.
8. TAXES, ASSESSMENTS, AND UTILITY LIENS. Buyer agrees to pay by the date due all taxes and assessments becoming a lien against the property after the date of this Contract. Buyer may in good faith contest any such taxes or assessments so long as no forfeiture or sale of the property is threatened as the result of such contest. Buyer agrees to pay when due any utility charges which may become liens superior to Seller's interest under this Contract. If real estate taxes and penalties are assessed against the property subsequent to date of this Contract because of a change in use prior to the date of this Contract for Open Space, Farm, Agricultural, or Timber classifications approved by the County or because of a Senior Citizen's Declaration to Defer Property Taxes filed prior to the date of this Contract, Buyer may demand in writing payment of such taxes and penalties within 30 days. If payment is not made, Buyer may pay and deduct the amount thereof plus 5% penalty from the payments next becoming due Seller under the Contract.
9. INSURANCE. Buyer agrees to keep all buildings now or hereafter erected on the property described herein continuously insured under fire and extended coverage policies in an amount not less than the balances owed on obligations assumed by Buyer plus the balance due Seller, or full insurable value, whichever is lower. All policies shall be held by the Seller and be in such companies as the Seller may approve and have loss payable first to any holders of underlying encumbrances, then to Seller as their interests may appear and then to Buyer. Buyer may within 30 days after loss negotiate a contract to substantially restore the premises to their condition before the loss. If insurance proceeds are sufficient to pay the contract price for restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless the underlying encumbrances provide otherwise. Otherwise the amount collected under any insurance policy shall be applied upon any amounts due hereunder in such order as Seller shall determine. In the event of forfeiture, all rights of Buyer in insurance policies then in force shall pass to Seller.



10. **NONPAYMENT OF TAXES, INSURANCE, AND UTILITIES CONSTITUTING LIENS.** Buyer shall pay all real estate taxes, assessments, insurance premiums, and utility charges constituting liens prior to Seller's interest hereunder and shall provide Seller with evidence of real estate tax and hazard insurance payments as they are made. If Buyer fails to pay taxes or assessments, insurance premiums, or utility charges constituting liens prior to Seller's interest under this Contract, Seller may pay such items and Buyer shall forthwith pay Seller the amount thereof plus a late charge of 5% of the amount thereof plus any costs and attorney's fees incurred in connection with making such payment.
11. **CONDITION OF PROPERTY.** Buyer accepts the property in its present condition and acknowledges that Seller, his/her agents, and subagents have made no representation or warranty concerning the physical condition of the property or the uses to which it may be put other than as set forth herein. Buyer agrees to maintain the property in such condition as complies with all applicable laws.
12. **RISK OF LOSS.** Buyer shall bear the risk of loss for destruction or condemnation of the property. Any such loss shall not relieve Buyer from any of Buyer's obligations pursuant to this Contract.
13. **WASTE.** Buyer shall keep the property in good repair and shall not commit or suffer waste or willful damage to or destruction of the property. Buyer shall not remove commercial timber without the written consent of Seller.
14. **AGRICULTURAL USE.** If this property is to be used principally for agricultural purposes, Buyer agrees to conduct farm and livestock operations in accordance with good husbandry practices. In the event a forfeiture action is instituted, Buyer consents to Seller's entry on the premises to take any reasonable action to conserve soil, crops, trees, and livestock.
15. **CONDEMNATION.** Seller and buyer may each appear as owners of an interest in the property in any action concerning condemnation of any part of the property. Buyer may within 30 days after condemnation and removal of improvements, negotiate a contract to substantially restore the premises to their condition before the removal. If the condemnation proceeds are sufficient to pay the contract price for restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless underlying encumbrances provide otherwise. Otherwise, proceeds of the award shall be applied in payment of the balance due on the purchase price, as Seller may direct.
16. **DEFAULT.** If the Buyer fails to observe or perform any term, covenant, or condition of this Contract, Seller may:
  - (a) Suit for Installments. Sue for any delinquent periodic payment; or
  - (b) Specific Performance. Sue for specific performance of any of Buyer's obligations pursuant to this Contract; or
  - (c) Forfeit Buyer's Interest. Forfeit this Contract pursuant to Ch. 61.30, RCW, as it is presently enacted and may hereafter be amended. The effect of such forfeiture includes: (i) all right, title, and interest in the property of the Buyer and all persons claiming through the Buyer shall be terminated; (ii) the Buyer's rights under the Contract shall be cancelled; (iii) all sums previously paid under the Contract shall belong to and be retained by the Seller or other person to whom paid and entitled thereto; (iv) all improvements made to and unharvested crops on the property shall belong to the Seller; and (v) Buyer shall be required to surrender possession of the property, improvements, and unharvested crops to the Seller 10 days after the forfeiture.
  - (d) Acceleration of Balance Due. Give Buyer written notice demanding payment of said delinquencies and payment of a late charge of 5% of the amount of such delinquent payments and payment of Seller's reasonable attorney's fees and costs incurred for services in preparing and sending such Notice and stating that if payment pursuant to said Notice is not received within 30 days after the date said Notice is either

deposited in the mail addressed to the Buyer or personally delivered to the Buyer, the entire balance owing, including interest, will become immediately due and payable. Seller may thereupon institute suit for payment of such balance, interest, late charge, and responsible attorney's fees and costs.

(e) Judicial Foreclosure. Sue to foreclosure this Contract as a mortgage, in which event Buyer may be liable for a deficiency.

17. RECEIVER. If Seller has instituted any proceedings specified in Paragraph 16 and Buyer is receiving rental or other income from the property, Buyer agrees that the appointment of a receiver for the property is necessary to protect Seller's interest.
18. BUYER'S REMEDY FOR SELLER'S DEFAULT. If Seller fails to observe or perform any term, covenant, or condition of this Contract, Buyer may, after 30 days' written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured.
19. NON-WAIVER. Failure of either party to insist upon strict performance of the other party's obligations hereunder shall not be construed as a waiver of strict performance thereafter of all of the other party's obligations hereunder and shall not prejudice any remedies as provided herein.
20. ATTORNEY'S FEES AND COSTS. In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorney's fees and costs, including costs of service of notices and title searches, incurred by the other party. The prevailing party in any suit instituted arising out of this Contract and in any forfeiture proceedings arising out of this Contract shall be entitled to receive reasonable attorney's fees and costs incurred in such suit or proceedings.
21. NOTICES. Notices shall be either personally served or shall be sent certified mail, return receipt requested, and by regular first class mail to Buyer at and to the Seller at or such other addresses as either party may specify in writing to the other party. Notices shall be deemed given when served or mailed. Notice to Seller shall also be sent to any institution receiving payments on the Contract.
22. TIME FOR PERFORMANCE. Time is of the essence in performance of any obligations pursuant to this Contract.
23. SUCCESSORS AND ASSIGNS. Subject to any restrictions against assignment, the provisions of this Contract shall be binding on the heirs, successors, and assigns of the Seller and the Buyer.
24. OPTIONAL PROVISION-SUBSTITUTION AND SECURITY ON PERSONAL PROPERTY. Buyer may substitute for any personal property specified in Paragraph 3 herein other personal property of like nature which Buyer owns free and clear of any encumbrances. Buyer hereby grants Seller a security interest in all personal property specified in Paragraph 3 and future substitutions for such property and agrees to execute a financing statement under the Uniform Commercial Code reflecting such security interest.

SELLER:

INITIALS:

BUYERS:

RAMON FARIAS

LUIS E. MENDOZA

ABELINA MENDOZA

25. OPTIONAL PROVISION-ALTERATIONS. Buyer shall not make any substantial alteration to the improvements on the property without the prior written consent of Seller, which consent will not be unreasonably withheld.



SELLER:

INITIALS:

BUYERS:

RAMON FARIAS

LUIS E. MENDOZA

ABELINA MENDOZA

26. OPTIONAL PROVISION-DUE ON SALE. If Buyer, without written consent of Seller, (a) conveys, (b) sells, (c) leases, (d) assigns, (e) contracts to convey, sell, lease or assign, (f) grants an option to buy the property, (g) permits a forfeiture or foreclosure or trustee or sheriffs sale of any of the Buyer's interest in the property or this Contract, Seller may at any time thereafter either raise the interest rate on the balance of the purchase price or declare the entire balance of the purchase price due and payable. If one or more of the entities comprising the Buyer is corporation, any transfer or successive transfers in the nature of items (a) through (g) above of 49% or more of the outstanding capital stock shall enable Seller to take the above action. A lease of less than 3 years (including options for renewals), a transfer to a spouse or child of Buyer, a transfer incident to a marriage dissolution or condemnation, and a transfer by inheritance will not enable Seller to take any action pursuant to this Paragraph; provided the transferee other than a condemnor agrees in writing that the provisions of this paragraph apply to any subsequent transaction involving the property entered into by the transferee.

SELLER:

INITIALS:

BUYERS:

RAMON FARIAS

LUIS E. MENDOZA

ABELINA MENDOZA

27. OPTIONAL PROVISION PERIODIC PAYMENTS ON TAXES AND INSURANCE. In addition to the periodic payments on the purchase price, Buyer agrees to pay Seller such portion of the real estate taxes and assessments and fire insurance premium as will approximately total the amount due during the current year based on Seller's reasonable estimate. The payments during the current year shall be \_\_\_\_\_ per \_\_\_\_\_. Such "reserve" payments from Buyer shall not accrue interest. Seller shall pay when due all real estate taxes and insurance premiums, if any, and debit the amounts so paid to the reserve account. Buyer and Seller shall adjust the reserve account in April of each year to reflect excess or deficit balances and changed costs. Buyer agrees to bring the reserve account balance to a minimum of \$10 at the time of adjustment.

SELLER:

INITIALS:

BUYERS:

RAMON FARIAS

LUIS E. MENDOZA

ABELINA MENDOZA

28. ADDENDA. Any addenda attached hereto are a part of this Contract.

29. ENTIRE AGREEMENT. This Contract constitutes the entire agreement of the parties and supersedes all prior agreements and understandings, written or oral. This Contract may be amended only in writing executed by Seller and Buyer.

IN WITNESS WHEREOF the parties have signed and sealed this Contract the day and year first above written.

SELLER

BUYER

Ramon Farias  
RAMON FARIAS

LUIS E MENDOZA

Abelina Mendoza  
ABELINA MENDOZA

Abelina Mendoza

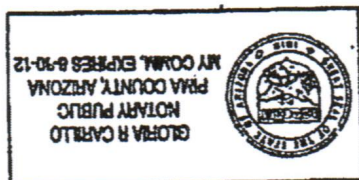
STATE OF

ss.

COUNTY OF

I certify that I know or have satisfactory evidence that RAMON FARIAS (is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 4-16-10



Gloria R Carullo

Notary name printed or typed: \_\_\_\_\_

Notary Public in and for the State of \_\_\_\_\_

Residing at \_\_\_\_\_

My appointment expires: \_\_\_\_\_

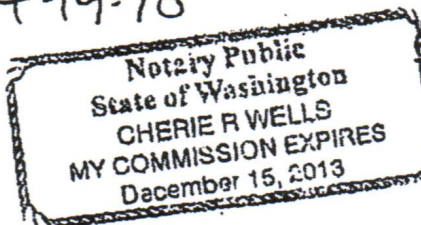
STATE OF Washington

ss.

COUNTY OF Yakima

I certify that I know or have satisfactory evidence that LUIS E MENDOZA and ABELINA MENDOZA (is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 4-19-10



Cherie R Wells

Notary name printed or typed: CHERIE R WELLS

Notary Public in and for the State of Washington

Residing at Yakima

My appointment expires: 12-15-13