

REAL ESTATE PURCHASE AND SALE AGREEMENT
THIS CONTRACT CONTROLS THE TERMS OF SALE OF PROPERTY
READ CAREFULLY BEFORE SIGNING

Weyerhaeuser Real Estate Development Company
Federal Way, Washington

_____, 20____

_____, (hereinafter called "Purchaser") hereby agrees to purchase and **WEYERHAEUSER REAL ESTATE DEVELOPMENT COMPANY** (hereinafter called "Seller") hereby agrees to sell the following described real estate commonly described **POWERS CREEK** Lot _____ of survey recorded under Auditor File No. **2007-03-23-0028**, records of **GRAYS HARBOR** County, State of Washington. Tax Parcel Number _____.

1. PURCHASE PRICE: Total purchase price is _____ **DOLLARS** (\$_____) including earnest money herein payable as follows as cash at Closing, subject to contingencies on attached Addendum(s) A, _____.

2. EARNEST MONEY RECEIPT: Purchaser hereby deposits with Seller, Selling Agent, or Escrow Company _____ **DOLLARS** (\$_____) evidenced by Personal check, Cash, Cashier's check delivered as earnest money in part payment of the purchase price for the afore described real estate.

3. INSPECTION AND FEASIBILITY: This Purchase and Sale Agreement shall be contingent upon the below inspections. Purchaser(s) will have until _____ to complete an inspection and feasibility study for the subject property. At the end of this feasibility period, purchaser(s) must notify seller in writing that they are satisfied with their investigation releasing this contingency and move forward with the purchase. Once feasibility is released by purchaser, purchasers earnest money will be at risk and at the election of the Seller may be retained if purchase is not completed by Purchaser. Purchaser shall receive a refund of the earnest money along with a termination of this Purchase and Sale Agreement if Purchaser gives written notice to Seller on or before the feasibility period expires stating that Purchaser is not satisfied with the results of the following inspections:

Seller's Initials

Purchaser's Initials

Purchaser's Initials

Failure of Buyer to timely issue such notice shall be deemed Buyer's waiver of this feasibility contingency.

- A. Seller gives Purchaser permission to enter upon the property and make, at its sole expense and risk, the inspections described above.
- B. The above-referenced Purchase and Sale Agreement is conditioned upon the Purchaser's satisfaction with the inspections.
- C. Purchaser acknowledges that it understands the risks associated with entering upon the property and agrees to release the Seller, its officers and employees from liability for any personal injury or property damage it suffers.
- D. Purchaser agrees to indemnify Seller and Seller's Agent and hold them harmless from all claims, liens, costs and expenses, including attorneys and experts fees, arising from or relating to the entry onto and inspection of the property by Purchaser, its agents, employees, or contractors. This agreement to indemnify and defend Seller shall survive closing.
- E. Seller reserves the right to require Purchaser, it's agents, or contractors to provide proof of satisfactory insurance and the right to require that Seller be named as an additional insured under the insurance as a condition of entrance upon the property.
- F. Purchaser agrees that in the event it does not timely waive this Inspection/Feasibility Contingency, Purchaser shall promptly return to Seller any materials provided to it by Seller and shall deliver to Seller any reports or studies that it has obtained from third parties pertaining to the Property.

Seller's Initials

Purchaser's Initials

Purchaser's Initials

4. **CONDITION OF TITLE:** Seller will order a commitment for standard title insurance in connection with this transaction. Title is to be free of all encumbrances except those of public record acceptable to purchaser; and

Rights reserved in federal patents or state deeds, mineral or fossil rights reservations, building or use restrictions general to the area, existing easements not inconsistent with Purchaser’s intended use, and building or zoning regulations or provisions shall not be deemed encumbrances or defects. Encumbrances to be discharged by Seller may be paid out of purchase money at date of closing.

Purchaser shall notify Seller of any objectionable matters in the title commitment or any supplemental report within ten (10) days after receipt of such commitment or supplement. If Purchaser gives no timely notice to Seller, Purchaser shall be deemed to have waived objections to matters shown. If Purchaser gives timely notice to Seller, this Agreement shall terminate and Purchaser shall receive a refund of the earnest money, less any costs advanced or committed for Purchaser, unless (a) within ten (10) days of Purchaser’s notice of such objections, Seller agrees to remove all objectionable provisions, or (b) within fifteen (15) days after Purchaser’s notice of such objection, Purchaser notifies Seller in writing that it waives any objections which Seller does not agree to remove. The provisions referenced in (a) through (b) above and those provisions not objected to or for which Purchaser waived its objections shall be referred to collectively as the “Permitted Exceptions.” The title policy shall contain no exceptions other than the General Exclusions and Exceptions common to such form of policy and the Permitted Exceptions.

5. **SURVEY:** This property:

- has been surveyed (Record of Survey has been recorded) **OR** has not been surveyed
- no corners have been staked
- corners or equivalent have been staked

Seller’s Initials

Purchaser’s Initials

Purchaser’s Initials

6. **CONVEYANCE:** Seller agrees to convey title at closing by Statutory Warranty Deed or Quitclaim Deed free of encumbrances except those noted in paragraph 4 above.

7. **FINANCING:** The sale is conditioned upon Purchaser obtaining a purchase loan. Purchaser does does not intend to obtain outside financing to close this transaction. **In the event the Purchaser is obtaining financing, Purchaser shall provide the Seller with a written notice of formal loan approval directly from the lender immediately or before** _____ . Purchaser is obtaining outside financing from _____ . If seller does not receive notice of formal approval of financing by the above date, this sale shall terminate and Purchaser’s earnest money shall be returned to Purchaser.

8. **DEFAULT AND REMEDIES:** In the event the Purchaser fails, without legal excuse, to complete the purchase of the property, the Purchaser shall pay the title company cancellation fee with a portion of the earnest money deposit made by the Purchaser. The seller shall retain the balance of earnest money deposit, which shall not exceed five percent (5%) of the purchase price forfeited to the Seller as the sole and exclusive remedy available to the Seller for such failure. The prevailing party shall be entitled to recover costs and attorneys fees in any action to enforce any rights hereunder.

Seller’s Initials

Purchaser’s Initials

Purchaser’s Initials

9. **CLOSING COSTS AND PRORATION:** Seller shall pay real estate excise tax. Purchaser shall pay recording fees. The premium for a standard owner’s policy of title insurance shall be paid by Seller paid by Purchaser shared equally by the parties. If an extended coverage owner’s policy is specified, Purchaser shall pay the increased costs associated with that policy including the excess premium over that charged for a standard coverage policy, and the cost of any survey required by the title insurer. The title report shall be issued by **GRAYS HARBOR TITLE**. If the sale closes at an escrow company the escrow fee shall be shared equally by the parties. Taxes due and payable for the current year, rents, insurance, interest, water and other utilities constituting liens shall be prorated as of the date of closing.

10. **TIME FOR ACCEPTANCE:** Seller’s/Purchaser’s offer is made subject to the acceptance of Seller/Purchaser on or before five o’clock p.m. on _____ . If Seller/Purchaser does not accept this agreement within the time specified, this agreement shall be declared null and void and all earnest monies will be refunded to the Purchaser on demand. Acceptance shall not be deemed given and effective until such time as a copy of this Agreement, signed by Purchaser/Seller is actually received by Purchaser/Seller.

11. **POSSESSION:** Seller shall deliver possession to Purchaser on closing.

12. **ATTORNEY’S FEES:** If either party hereto is required to retain an attorney to enforce any provision of this agreement, said party shall be entitled to reasonable attorney’s fees regardless of whether the matter proceeds to judgment or is resolved by defaulting party curing default.

Seller’s Initials

Purchaser’s Initials

Purchaser’s Initials

13. CLOSING: The sale shall close on or before _____ . Sale shall close in escrow at **GRAYS HARBOR TITLE** (Escrow Co.). When notified, Purchaser and Seller shall deposit, without delay, in escrow all instruments and monies required to complete the transaction in accordance with this Agreement. Closing, for the purpose of this agreement, is defined as the date that all documents are executed and the sale proceeds are available for disbursement. Closing funds shall be in the form of a Cashier's Check made payable to **GRAYS HARBOR TITLE** (Escrow Co.). If prior to closing improvements on said property, including timber, are destroyed or substantially damaged by fire, human action, or other casualty, this Agreement, at the option of the Purchaser, shall become null and void.

14. CONDITION OF PROPERTY: Purchaser has inspected the property, accepts it in its present condition and acknowledges that Seller, its agents and subagents, have made no representation or warranty concerning the physical condition of the property, access or its condition, or to the uses to which it may be put other than as set forth herein. Purchaser is relying on its own evaluation of quantity, quality and feasibility of harvesting timber. Seller has made no representations in that regard. The first three sentences of this paragraph 13 shall be recited in the Statutory Warranty Deed.

15. ENVIRONMENTAL CONDITIONS: The term "Environmental Laws" shall mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health and the environment. The term "Hazardous Substances" shall mean any hazardous or toxic substance, material or waste, including, but not limited to, those substances, materials, and wastes listed in the United State Department of Transportation Hazardous material Table (49 C.F.R. § 172.101), by the United States Environmental Protection Agency as hazardous substances (40 C.F.R. Part 302 and amendments thereto), or by the State in which the property exists, petroleum products and their derivatives, asbestos and such other substances, materials and wastes as become regulated or subject to cleanup authority under any Environmental Laws.

A. Seller has not received any written notification from any federal, state, county or city agency or authority relating to the presence of Hazardous Substance on the property.

B. Seller has not obtained from an environmental consultant any written report(s) regarding the environmental condition of the property.

C. Seller encourages Purchaser to obtain an environmental inspection of the property. The scope of the investigation shall be determined solely by Purchaser and all costs and expense related to the inspection shall be Purchaser's responsibility.

D. In the event Purchaser's inspection reveals the presence of Hazardous Substances on the property in such quantity or form that redemption or cleanup is required under Environmental Laws (hereinafter "Environmental Conditions"), Purchaser shall give Seller written notice specifying each Environmental Condition to which Purchaser objects, which notice shall be accompanied by the inspection report (hereinafter collectively referred to as the "Notice"). Such Notice shall be provided to Seller on or before **END OF FEASIBILITY**. The failure to provide such Notice to Seller by said date shall be deemed, conclusively, to establish the satisfaction (or waiver) of this condition.

E. Seller shall have **3** days (3 if not filled in) after receiving Purchaser's Notice, to give notice that Seller shall either (1) remedy the problem before the close of escrow, or (2) terminate this Agreement. If the problem is not remedied before the close of escrow, either Seller or Purchaser may elect to either (a) terminate this Agreement in which case Purchaser shall have no obligation to purchase the Subject Property, or (b) agree to defer the closing date for a mutually agreed upon later date.

F. Purchaser, may, at its sole cost and expense, and prior to Closing, inspect the corrections undertaken by Seller.

G. Seller shall provide reasonable access to the property to Purchaser and its agents for the purposes of Paragraphs C and F above, subject to the provisions of paragraph 3 above.

H. Purchaser acknowledges that Seller is not qualified to determine whether the property contains any Hazardous Substance, and further acknowledges that Seller makes no representation as to the truth, accuracy or reliability of the information provided to Purchaser pursuant to Paragraphs A and B above. Purchaser has not relied, will not rely on, and Seller is not liable for or bound by, any expressed or implied warranties, guarantees, statements, representation or information pertaining to the property or relating thereto made or furnished by Seller, its employees, or agents, or any real estate broker or agent representing or purporting to represent Seller, to whomever made or given, directly or indirectly, verbally or in writing.

16. SURVIVAL AFTER CLOSING: The representations, warranties and agreements contained in this Purchase & Sale Agreement shall survive the Closing of this transaction and the language of paragraph 13 and paragraph 16 of this Purchase & Sale Agreement shall be recited in the Statutory Warranty Deed, Quit Claim Deed or Real Estate Contract

17. CONDITION OF PROPERTY AT CLOSING: AT CLOSING PURCHASER SHALL ACCEPT THE PROPERTY "AS IS" AND "WHERE IS" AND PURCHASER RELEASES SELLER FROM ANY LIABILITY TO PURCHASER ARISING OUT OF OR RELATING TO THE CONDITION OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE PHYSICAL CONDITION OF THE PROPERTY AND ENVIRONMENTAL CONDITIONS. PURCHASER REPRESENTS AND ACKNOWLEDGES THAT THIS PROVISION WAS EXPLICITLY NEGOTIATED AND BARGAINED FOR.

Seller's Initials

Purchaser's Initials

Purchaser's Initials

18. DISCLOSURE OF AGENCY: At the signing of this Agreement, the Purchaser's Agent of _____ represented the Purchaser. The Seller's Agent **DAVID DAGNEN** of **WINDERMERE REAL ESTATE/GRAYS HARBOR INC.** represented Weyerhaeuser Real Estate Development Company. Each party signing this agreement confirms that prior oral and/or written disclosure of agency or non-agency was provided to him/her in this transaction and that each party has received from their agent a pamphlet entitled The Laws of Real Estate Agency. If Purchaser's Agent and Seller's Agent are the same person representing both parties, then Purchaser and Seller confirm their consent to that person and his/her Broker acting as dual agents

Seller's Agent:

Purchaser's Agent:

Windemere Real Estate/Grays Harbor Inc.
 By: **David Dagnen**
101 South Broadway
 Address
Aberdeen, WA 98520
 City, State, Zip
ddagnen@windemere.com
 E-mail Address
(360) 581-5322 **(360) 533-0375**
 Phone Fax
On File with WREDCO
 Broker Federal Tax ID#
 Individual/Sole Proprietor
 Corporation
 Partnership
 Other

By: _____
 Address
 City, State, Zip
 E-mail Address
 Phone Fax
 Broker Federal Tax ID#
 Individual/Sole Proprietor
 Corporation
 Partnership
 Other

19. ENTIRE AGREEMENT: There are no verbal or other agreements which modify or affect this agreement. All subsequent additions, modifications or waiver of any condition of this agreement shall be in writing and signed by the appropriate parties.

20. COUNTERPARTS: This agreement may be signed in counterparts.

21. FACSIMILE TRANSMISSION. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery or execution of an original. At the request of any party, the parties shall conform facsimile transmitted signatures by signing an original document.

Weyerhaeuser Real Estate Development Company

By: _____
 PH-2
 P.O. Box 9777
 Federal Way, WA 98063-9777
 (253) 924-3349

 Purchaser

 Purchaser

 Address:

 City/State/Zip Code:

 Phone: Alternate Phone

 E-mail:

ADDENDUM A POWERS CREEK SOUTH

Weyerhaeuser Real Estate Development Company Purchase & Sale Agreement

The following is a part of the Purchase and Sale Agreement dated _____ between
Weyerhaeuser Real Estate Development Company (“Seller”) and
_____ (“Purchaser”)
hereby agrees to sell the following described real estate commonly described as (Real Estate Community Name) **POWERS
CREEK** Lot _____.

It is agreed between the Seller and Purchaser as follows:

1. **Tax Status.** After closing on the property the special tax classification will be removed and the property will be taxed to the Purchaser by Grays Harbor County as Highest and Best Use, which most likely will be a residential tax classification. The Seller will pay the back taxes at closing to remove the property from the special tax classification.

The following deed restrictions will be recorded in the statutory warranty deed:

1. **Residential Housing Improvements.** All permanent housing must be built on-site and must comply with applicable International Residential Code and/or Uniform Building Codes. Manufactured homes, mobile homes, modular homes, trailers or other such residential structures constructed or assembled off-site are prohibited on any Lot as a permanent structure.

Weyerhaeuser Real Estate Development Company

by: _____

Purchaser

Date:

Purchaser

Date: