

## PLEDGE AGREEMENT

This Pledge Agreement (the "Agreement") is to provide security for the payment of that certain promissory note (the "Note") in the principal sum of ONE MILLION TWO HUNDRED AND SIXTY THOUSAND DOLLARS (\$1,260,000) payable by ELIZABETH DORNAY and BENJAMIN HARTMAN, Trustees of the HARTMAN GRANDCHILDREN'S IRREVOCABLE TRUST u/t/d October 25, 2013 (the "Debtor") to DAVID E. HARTMAN and SHARRON HARTMAN (together, the "Secured Creditor") which represents the sales price of interests in the entities described in Exhibit A attached hereto (the "Interest"). The Note was executed on this date and a copy is attached hereto as Exhibit B. The Debtor hereby grants to the Secured Creditor a security interest in the following assets and money, herein referred to as the "Collateral":

- (a) the Interest; and
- (b) any and all new, additional or different entity ownership interests subsequently distributed with respect to the assets described in Paragraph (a) above.

### AGREEMENT

1. **Warranties.** Debtor hereby warrants that it is the owner of the Collateral, that it has the right to pledge the Collateral, and that the Collateral is free from liens, adverse claims and other security interests.

2. **Payment of Taxes and Other Charges.** The Debtor shall pay, prior to the delinquency date, all taxes, liens, assessments and other charges against the Collateral, and in the event of the Debtor's failure to do so, the Secured Creditor may at their election pay any or all of such taxes and charges without contesting the validity or legality thereof. The payments so made shall become part of the indebtedness secured hereunder and shall bear interest at the same rate as provided for in the Note.

3. **Transfer of the Note.** In connection with the transfer or assignment of the Note (whether by negotiation, discount or otherwise), the assignee shall thereupon succeed to all the rights, powers and remedies granted the Secured Creditor hereunder with respect to the Collateral.

4. **Release of the Collateral.** Within thirty (30) days after full payment of all accrued interest and other amounts due under the Note, the Secured Creditor shall release and deliver to the Debtor all of the Collateral then held by the Secured Creditor, if any. There shall also be released at the same time any additional collateral which may hereafter be pledged with respect to the Collateral to be released.

5. **Events of Default.** The occurrence of one or more of the following events shall constitute an event of default under this Agreement:

- (a) the occurrence of any event of default specified in the Note;
- (b) the failure of the Debtor to perform any obligation imposed upon the Debtor by reason of this Agreement; or
- (c) the breach of any warranty of the Debtor contained in this Agreement.

Upon the occurrence of any such event of default, the Secured Creditor may, at their election, declare the Note and all other indebtedness secured hereunder to become immediately due and payable. If the Debtor fails to pay the indebtedness secured hereunder, and all accrued interest and other amounts due under the Note, the Secured Creditor may dispose of the Collateral by public or private sale. The Secured Creditor shall have the right to purchase the Collateral at any such private or public sale. Any proceeds realized from the disposition of the Collateral pursuant to the power of sale shall first be applied to the payment of expenses incurred by the Secured Creditor in connection with the default and/or disposition, and the balance shall be applied to the payment of the Note and any other indebtedness secured hereunder in such order of application as the Secured Creditor shall direct. Any surplus proceeds shall be paid over to the Debtor. In the event such proceeds prove insufficient to satisfy all indebtedness secured hereunder, the Debtor shall not be personally liable for the deficiency. Any disposition under this Section of an entity involved in radio broadcasting shall be subject to FCC consent.

6. **Other Remedies on Default.** The rights, powers and remedies granted to the Secured Creditor pursuant to the provisions of this Agreement shall be in addition to all rights, powers and remedies granted to the Secured Creditor under any statute or rule of law. Any forbearance, failure or delay by the Secured Creditor in exercising any right, power or remedy under this Agreement shall not be deemed to be a waiver of such right, power or remedy. Any single or partial exercise of any right, power or remedy under this Agreement shall not preclude the further exercise thereof, and every right, power and remedy of the Secured Creditor under this Agreement shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument executed by the Secured Creditor.

7. **Remedies are Cumulative.** All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement or provided by law shall be cumulative and no one of them shall be exclusive of any other. A party may pursue any one or more of his or her rights, options, or remedies hereunder or may seek damages or specific performance in the event of another party's breach hereunder, or may pursue any other remedy by law or equity, whether or not stated in this Agreement.

8. **Costs and Expenses.** All costs and expenses (including reasonable attorneys' fees) incurred by the Secured Creditor in the exercise or enforcement of any right, power, or remedy granted them under this Agreement shall become part of the indebtedness secured hereunder and shall be payable immediately by the undersigned, without demand, and until paid shall bear interest at the rate provided for in the Note.

default or of the performance required of the defaulting party. No express waiver by a party of any provision of this Agreement or a default by any other party in any one instance shall be construed as a waiver of the same provision or default in any subsequent instance.

**10. Counterparts.** This Agreement and any amendments hereto may be executed in multiple counterparts, each of which shall be deemed an original Agreement, and all of which shall constitute a single Agreement, by and among each of the parties hereto.

**11. Notices.** Any notice, request, demand, instruction, or other communication to be given to any party hereunder shall be in writing and either personally delivered to such party (or their authorized agent) or sent by registered or certified mail, postage prepaid, addressed as follows:

To the Debtor: ELIZABETH DORNAY, Trustee  
HARTMAN GRANDCHILDREN'S IRREVOCABLE  
TRUST  
8904 SE 45th Street  
Mercer Island, WA 98040

BENJAMIN HARTMAN, Trustee  
HARTMAN GRANDCHILDREN'S IRREVOCABLE  
TRUST  
5604 E Mercer Way  
Mercer Island, WA 98040

To the Secured Creditor: DAVID E. HARTMAN and SHARRON HARTMAN  
39 Holly Hill Drive  
Mercer Island, WA 98040

**12. Successors.** This Agreement shall bind and inure to the benefit of the respective parties, their successors, heirs, and permitted assignees.

**13. Captions.** The section headings and captions contained herein are inserted solely for convenience and shall in no way define, limit, extend or interpret the scope of this Agreement or any particular section.

**14. Severability.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the rest of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

**15. Governing Law.** This document shall be construed in accordance with and be governed by the laws of the State of Washington as applied to agreements among Washington residents entered into and to be performed entirely within Washington, without regard to any principles of conflicts of law.

16. **Gender and Number.** In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

17. **Entire Agreement.** This Agreement, the Note, and that certain Agreement for the Purchase and Sale of Limited Partnership interest of even date herewith between Debtor as Buyer and Secured Creditor as Seller (the "Purchase and Sale Agreement"), a copy of which is attached hereto as Exhibit "C" and incorporated herein by this reference, constitute the entire agreement among the parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein. Any agreements, understandings, warranties or representations not expressly contained in this Agreement shall in no way bind any party. To the maximum extent permitted by law, each party expressly waives any right of rescission and all claims for damages by reason of any statement, representation, warranty, promise and/or agreement, if any, not contained in or attached to this Agreement.

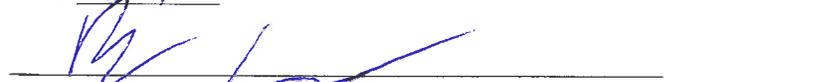
18. **Resolution of Disputes.** In the event of a dispute between the Debtor and the Secured Creditor, the parties agree to participate in good faith in a mediation procedure to its conclusion. If the parties are not successful in resolving the dispute through mediation, then they agree that the dispute shall be settled by arbitration in King County, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The arbitration shall proceed in accordance with the Uniform Arbitration Act, RCW Chapter 7.04A.

IN WITNESS WHEREOF, this Agreement has been executed effective October 25, 2013.

"DEBTOR"



ELIZABETH DORNAY, Trustee  
HARTMAN GRANDCHILDREN'S IRREVOCABLE TRUST  
u/t/d 10/25/13



BENJAMIN HARTMAN, Trustee  
HARTMAN GRANDCHILDREN'S IRREVOCABLE TRUST  
u/t/d 10/25/13

"SECURED CREDITOR"



DAVID E. HARTMAN



SHARRON HARTMAN

## EXHIBIT A

1. 39% of the interest in DSH Management, LLC, a Washington limited liability company\*;



\* The parties recognize that transfers of entities involved in radio broadcasting are subject to FCC consent. Therefore, transfer of any such entity held by DSH Management, LLC shall be contingent upon and deemed effective only when any consent required for such transfer is obtained.

**PROMISSORY NOTE SECURED BY PLEDGE  
OF LIMITED LIABILITY COMPANY AND CORPORATE SHARES**

**\$1,260,000**

**October 25, 2013**

ELIZABETH DORNAY and BENJAMIN HARTMAN, as Co-Trustees of the HARTMAN GRANDCHILDREN'S IRREVOCABLE TRUST dated October 25 2013, (together, the "Maker") purchased the interests listed in Exhibit A, (the "Interests"), from DAVID E. HARTMAN and SHARRON HARTMAN (together, the "Holder") on October 25, 2013; and

THEREFORE, the Maker and the Holder agree as follows:

1. **Terms of Note Generally.** For value received, the Maker hereby agrees to pay to the Holder the principal sum of ONE MILLION TWO HUNDRED SIXTY THOUSAND DOLLARS (\$1,260,000), together with interest thereon, at the rate of 1.93% per annum, compounded annually.
2. **Purchase Note.** This Note is given as partial payment for the purchase of the Interests.
3. **Amortization Payments.** Payments of principal and interest totaling \$38,211.87 shall be made on March 31, June 30, September 30, and December 31 of each year, with the first such payment due on March 31, 2014. The Parties agree that these payments should be made according to the amortization schedule attached hereto as Exhibit B, provided that funds are available. Failure to make payments according to this Section 3 shall not be an event of default.
4. **Required Payments.** Accrued interest shall be payable by December 31 of each year, with the first interest payment due on or before December 31, 2013. The amount of interest due each year under this Section shall be reduced by any interest payment made in that year pursuant to Section 3. As long as any principal on the Note remains unpaid, a principal payment equal to any distribution from any entity included in the Interest to Maker in partial or complete liquidation of Maker's interest in such entity shall be due and payable to Holder within 10 days from the date of the distribution. Such payment shall not be reduced by any principal payments made pursuant to Section 3. The entire principal balance on the Note shall be due and payable on October 15, 2022.
5. **Security.** This Note is secured by a pledge of the Interests pursuant to a Pledge Agreement (the "Pledge Agreement") of even date herewith, a copy of which is attached hereto as Exhibit C and incorporated herein by this reference. If the Maker defaults on compliance with any term, covenant or condition of the Pledge Agreement, this Note, or any other instrument or agreement signed by the Maker in connection with the indebtedness evidenced hereby, and such default continues for more than thirty (30) days after written notice thereof to the Maker, or if default is made in payment of any installment of principal or interest when due hereunder, and such default continues for more than thirty (30) days after written notice thereof to the Maker, then, or at any time thereafter, at the option of the Holder, the entire unpaid principal balance under this Note, together with all accrued and unpaid interest, shall become immediately due and payable without further notice to the Maker, and the lien given under the Pledge Agreement may be foreclosed.

6. **Form and Place of Payment.** Principal and interest shall be payable in lawful money of the United States at: 39 Holly Hill Drive, Mercer Island, Washington, 98040 or such other place as the Holder may from time to time designate by written notice to the Maker.

7. **Nonrecourse.** This Note shall be nonrecourse and the Maker shall not be personally liable for the payments required hereunder. In the event of a default or failure to pay, the Holder's sole remedy shall be a foreclosure of the security as set forth in Paragraph 4 and the Holder shall not be entitled to any deficiency judgment.

8. **Prepayment.** This Note may be prepaid in whole or in part without the prior written consent of the Holder and without prepayment penalty.

9. **Acceleration.** At the option of the Holder hereof, this Note shall become immediately due and payable, without notice or demand, upon the occurrence at any time of any of the following events:

(a) Default in the payment of interest due hereunder, which default continues for a period of thirty (30) days after the due date thereof, or failure in the performance or observance of any of the material terms or conditions of the Pledge Agreement or other instrument securing or pertaining to this Note;

(b) The Maker's failure to perform or observe any of the material terms and conditions of the Pledge Agreement;

(c) The making of an assignment for the benefit of creditors by the Maker, or the appointment of a receiver for all or substantially all of the Maker's property or the filing by the Maker of a petition in bankruptcy or other similar proceeding under law for the relief of debtors;

(d) The filing against the Maker for the payment of this Note, whether as a maker, endorser, guarantor, surety or otherwise, of a petition in bankruptcy or other similar proceeding under law for relief of debtors, if such petition is not vacated or discharged within sixty (60) days after the filing thereof; or

(e) The voluntary or involuntary transfer of the collateral for the Note by the Maker.

10. **Late Payment Charge.** The Maker agrees to pay to the Holder five percent (5%) of the amount of any payment due under Section 4 which is not made within ten (10) days of the date due.

11. **Costs of Collection.** If this Note is not paid when due, whether at maturity or by acceleration, the Maker promises to pay all costs incurred by the Holder in collecting the amounts due hereunder, including attorneys' fees and all expenses incurred by the Holder in connection with the protection of or realization on any collateral securing this Note, whether or not suit is filed hereon; such costs and expenses shall include, without limitation, all costs, reasonable attorneys' fees and expenses incurred by the Holder hereof in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceedings involving the

Maker which in any way affects the exercise by the Holder hereof of their rights and remedies under this Note, the Pledge Agreement, or other agreement or instrument now or hereafter securing or pertaining to this Note.

12. **Counterparts.** This Note and any amendments hereto may be executed in multiple counterparts, each of which shall be deemed an original Agreement, and all of which shall constitute a single Agreement, by and among each of the parties hereto.

13. **Notices.** Any notice, request, demand instruction or other communication to be given to any party hereunder shall be in writing and either personally delivered to such party (or their authorized agent) or sent by registered or certified mail, postage prepaid, addressed as follows:

To the Holder:                    DAVID E. HARTMAN and SHARRON HARTMAN  
   39 Holly Hill Drive  
   Mercer Island, Washington, 98040

To the Maker:                    ELIZABETH DORNAY, Co-Trustee of the HARTMAN  
   GRANDCHILDREN'S IRREVOCABLE TRUST  
   8904 SE 45th Street  
   Mercer Island, WA 98040

BENJAMIN HARTMAN, Co-Trustee of the HARTMAN  
GRANDCHILDREN'S IRREVOCABLE TRUST  
5604 E Mercer Way  
Mercer island, WA 98040

14. **Waiver.** Except as specifically provided otherwise above, presentment, demand, protest, notices of protest, dishonor and non-payment of this Note and all notices of every kind are hereby waived. No single or partial exercise of, or forbearance from exercising, any power hereunder or under any deed of trust, or security agreement or other agreement or instrument now or hereafter securing or pertaining to this Note shall preclude other or further exercises thereof or the exercise of any other power. The Holder hereof shall at all times have the right to proceed against any portion of any security now or hereafter held in such order and in such manner as the Holder may determine in his sole discretion, without waiving any rights with respect to any other security. No delay or omission on the part of the Holder hereof in exercising any right hereunder shall operate as a waiver of such right or of any other right under this Note. The release of any party liable on this Note shall not operate to release any other party liable hereon.

15. **Resolution of Disputes.** In the event of a dispute between Holder and Maker, the parties agree to participate in good faith in a mediation procedure to its conclusion. If the parties are not successful in resolving the dispute through mediation, then they agree that the dispute shall be settled by arbitration in King County, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The arbitration shall proceed in accordance with the Uniform Arbitration Act, RCW Chapter 7.04A.

16. **Governing Law.** This Note shall be governed by and construed in accordance with the laws of the State of Washington.

**IN WITNESS WHEREOF**, the Maker has caused this Promissory Note Secured By Pledge of Limited Liability Company Interest and Corporate Shares to be executed as of the date and year first written above.

**MAKER:**

**HOLDER:**

\_\_\_\_\_  
ELIZABETH DORNAY, Co-Trustee of the  
HARTMAN GRANDCHILDREN'S  
IRREVOCABLE TRUST

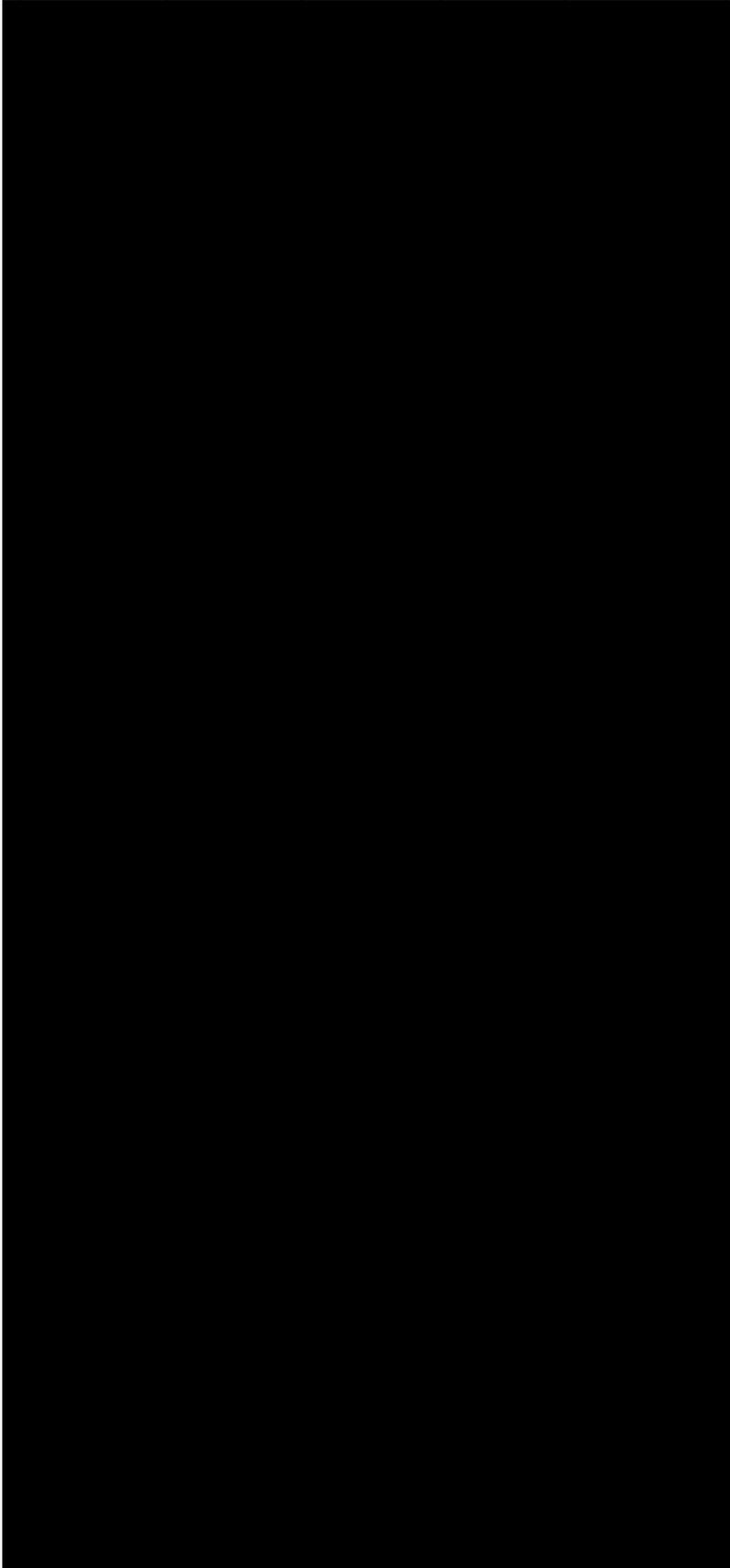
\_\_\_\_\_  
David E. Hartman

\_\_\_\_\_  
BENJAMIN HARTMAN, Co-Trustee of the  
HARTMAN GRANDCHILDREN'S  
IRREVOCABLE TRUST

\_\_\_\_\_  
Sharron Hartman

**EXHIBIT B**

|  | Payment | Interest | Principal<br>Payment | Principal |
|--|---------|----------|----------------------|-----------|
|  |         |          |                      |           |



**EXHIBIT C**

**AGREEMENT FOR THE PURCHASE AND SALE OF LIMITED  
LIABILITY COMPANY INTEREST and CORPORATE SHARES**

**by**

**ELIZABETH DORNAY and BENJAMIN HARTMAN  
as Trustees of the HARTMAN GRANDCHILDREN'S IRREVOCABLE  
TRUST created under the Trust Agreement Dated October 25, 2013  
(Buyer)**

**and**

**DAVID AND SHARRON HARTMAN  
(Sellers)**

**AGREEMENT FOR PURCHASE AND SALE OF  
SHARES OF LIMITED LIABILITY COMPANY INTEREST AND CORPORATE SHARES**

This AGREEMENT FOR PURCHASE AND SALE OF LIMITED LIABILITY COMPANY INTEREST and CORPORATE SHARES (the "Agreement") effective October 25, 2013 (the "Effective Date"), by and between ELIZABETH DORNAY and BENJAMIN HARTMAN, as Trustees for the HARTMAN GRANDCHILDREN'S IRREVOCABLE TRUST (the "Buyer"), and DAVID and SHARRON HARTMAN, (the "Sellers").

**RECITALS**

1. Sellers own the following assets:
  - a. 100% interest in DSH Management, LLC, a Washington limited liability company ("the LLC");



2. Sellers desire to sell and the Buyer desires to purchase 39% of Sellers' interest in the LLC, recognizing that transfers of entities involved in radio broadcasting are contingent upon and shall be deemed effective only when any consent required for such transfer is obtained;
3. 
4. The LLC and  shall be referred to together in this Agreement as the "Interest."

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, the parties hereto agree as follows:

**SECTION 1.  
PURCHASE AND SALE OF THE INTEREST**

**1.1 Delivery of Interest.** At the Closing (defined as the Effective Date of the delivery of the Interest from the Sellers to the Buyer), the Sellers will sell, convey, transfer and deliver to the Buyer all right, title and interests in and to the Interest, together with any other documents necessary to transfer to the Buyer good and marketable title to the Interest, free and clear of all liens, security interests, claims, charges and encumbrances of any nature whatsoever.

**1.2 Purchase Price.** The Buyer and Sellers agree that the purchase price of the Interest shall be ONE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$1,400,000) (the "Initial Purchase Price"). After review of all available information regarding the Interest and every entity included in the

Interest, the Buyer and the Sellers do in good faith agree that they believe the Initial Purchase Price represents the fair market value of the Interest. The Buyer and the Sellers further agree that if the fair market value of the Interest is finally determined for gift tax purposes (as defined in Section 2512 of the Internal Revenue Code) as of the Effective Date (the Interest's "Gift Tax Value") is greater than ONE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$1,400,000), the Purchase Price shall be increased and shall equal the value of the Interest's Gift Tax Value. If the Gift Tax Value is determined to be less than ONE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$1,400,000), the Purchase Price shall not be decreased and rather shall remain ONE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$1,400,000), provided that if required FCC consent for transfer certain of the LLC's assets is not obtained, the Purchase Price shall be reduced by the appraised value of any assets not transferred.

**1.3 Payment of the Purchase Price.** Within 10 days of Closing, the Buyer shall deliver to the Sellers a cash down payment in the amount of ONE HUNDRED AND FORTY THOUSAND DOLLARS (\$140,000) and a promissory note in the amount of ONE MILLION TWO HUNDRED AND SIXTY THOUSAND DOLLARS (\$1,260,000) in the form attached hereto as Exhibit "A" (the "Promissory Note"). Such Promissory Note shall be secured by a pledge of the Interest in the form of the Pledge Agreement attached hereto as Exhibit "B."

**1.4 Adjustment of Promissory Note.** In the event that the Purchase Price is adjusted as set forth in Section 1.2, the principal amount of the Promissory Note shall be increased by the amount of the adjustment. Such adjustment shall be effective upon the date of delivery of the Interest and interest on the adjusted note principal shall accrue from that date.

**1.5 Acceptance of the Hartman Family Shareholder Agreement.** At or before Closing, the Buyer shall subscribe to the Hartman Family Shareholder Agreement, attached hereto as Exhibit "C."

## **SECTION 2.** **REPRESENTATIONS AND WARRANTIES OF THE SELLERS**

The Sellers hereby makes the representations and warranties contained in this SECTION 2.

**2.1 Determination of Purchase Price.** The Buyer hereby acknowledges that the Buyer has not relied upon any statements by the Sellers or the Sellers's attorneys or agents concerning the value of the Interest or its assets for purposes of this Agreement. The Buyer has had ample opportunity to ask questions and to receive and review all information the Buyer or the Buyer's attorneys or advisors consider necessary or appropriate in order to ascertain the approximate value of the Interest. The Buyer has ascertained in the Buyer's own independent judgment that the manner pursuant to which the Purchase Price for the Interest will be determined is reasonable and the Buyer consents to the engagement of Mark Mitchell at Peterson Sullivan LLP to prepare the Appraisal.

**2.2 Organization and Qualification of Interest.** Sellers warrant that each entity enumerated as part of the Interest is duly organized, validly existing and in good standing under the laws of the state in which it is organized, and that each such entity has full power and authority to own and manage its assets and to conduct its business in the manner and place where such business is conducted.

**2.3 No Encumbrances on the Interest.** The Sellers own the Interest, free and clear of all liens, encumbrances, rights, charges and assessments of every nature and the transfer of the Interest will not violate any restriction on transferability. The Sellers have not granted any option, warrant, or right to purchase or acquire the Interest nor have Sellers entered into any contract, agreement, commitment, understanding or arrangement relating to the Interest, or by which Sellers are or may be bound or obligated to transfer or dispose of the Interest.

**2.4 Marketable Title.** Upon the transfer of the Interest to the Buyer hereunder, the Buyer will have good and marketable title to the Interest, including all voting rights pertaining to the Interest, free and clear of all liens, encumbrances, rights, charges and assessments of any nature whatsoever.

**2.5 Authority of the Sellers.** The Sellers have the power and authority to enter into this Agreement and all documents and instruments contemplated hereby, referenced herein, or executed in connection herewith, to which the Sellers are a party (collectively, the “Related Documents”) and to perform their obligations hereunder and thereunder. This Agreement and each of the Related Documents to which they are a party have been duly executed and delivered by the Sellers and constitute a legal, valid and binding obligation of the Sellers, enforceable against the Sellers in accordance with the terms thereof.

### **SECTION 3. INVESTMENT REPRESENTATIONS**

In connection with the Interest, the Buyer hereby represents and warrants to, and agrees with, the Sellers as follows:

**3.1 No Advertising.** The Buyer has not seen, received, been presented with, or been solicited by any leaflet, public promotional meeting, newspaper or magazine article or advertisement, radio or television advertisement, or any other form of advertising or general solicitation with respect to the sale of the Interest.

**3.2 Investment Intent.** The Buyer is acquiring the Interest for investment purposes for its own benefit and not with a view to or for sale in connection with any distribution of all or any part of the Interest. No other person will have any direct or indirect beneficial interest in or right to the Interest.

**3.3 No Registration of the Interest.** The Buyer acknowledges that the Interest, as of the date of this Agreement, has not been registered under the Securities Act of 1933, as amended (the “Securities Act”), or any other applicable blue sky laws, in reliance, in part, on Buyer’s representations, warranties, and agreements herein.

**3.4 Interest Is Restricted Securities.** The Buyer understands that the Interest constitutes “restricted securities” under the Securities Act in that the Interest will be acquired from the Sellers in a transaction not involving a public offering, that the Interest may be resold without registration under the Securities Act only in certain limited circumstances, and that otherwise the Interest must be held indefinitely.

**3.5 No Obligation to Register.** The Buyer represents, warrants, and agrees that the Sellers are not under any obligation to register or qualify the Interest under the Securities Act or under any state securities law, or to assist the Buyer in complying with any exemption from registration and qualification.

**3.6 No Disposition in Violation of Law.** Without limiting the representations set forth above, and without limiting the provisions of the Operating Agreement and Bylaws of the entities comprising the Interest, the Buyer will not make any disposition of all or any part of the Interest which will result in the violation by it of the Securities Act or any other applicable state or federal securities laws.

**3.7 Information Reviewed.** The Buyer has received and reviewed all information it considers necessary or appropriate for deciding whether to invest in the Interest. The Buyer has had an opportunity to ask questions and receive answers from the Sellers regarding the business, financial affairs,

and other aspects of the Interest, and has further had the opportunity to obtain all information (to the extent the Sellers possess or can acquire such information without unreasonable effort or expense) which the Buyer deems necessary to evaluate the investment and to verify the accuracy of information otherwise provided to it.

**3.8 No Warranties.** Buyer acknowledges that Buyer is being given the opportunity to inspect the books and records relating to the operation of every entity comprising the Interest, and any entity owned by an entity comprising the Interest, and understands that no warranties as to the future performance of any business have been or are being made by the Sellers.

**3.9 Tax Consequences.** The Buyer acknowledges that the tax consequences of investing in the Interest will depend on its particular circumstances, and neither the Sellers, nor the Sellers' agents, attorneys, accountants, nor consultants will be responsible or liable for the tax consequences to the Buyer of its purchase of the Interest pursuant to the terms of this Agreement. The Buyer will look solely to, and rely upon, its own advisors with respect to the tax consequences of its purchase of the Interest. Further, the Buyer acknowledges and agrees that it has not relied upon any representation or statement by the Sellers, the Sellers' attorneys, or other agents concerning the tax consequences of the purchase of the Interest by the Buyer.

**3.10 No Representations by the Sellers.** No agent or employee of the Sellers or any other person has at any time expressly or implicitly represented, guaranteed, or warranted to the Buyer that the Buyer may freely transfer the Interest, that a percentage of profit and/or amount or type of consideration will be realized as a result of an investment in the Interest, that past performance or experience on the part of the Sellers or any other person in any way indicates the predictable results of the ownership of the Interest or of the overall business of the entities comprising the Interest, that any cash distributions from operations or otherwise will be made to the Buyer by any specific date or will be made at all, or that any specific tax benefits will accrue as a result of an investment in the Interest.

#### **SECTION 4. TERMINATION OF THE AGREEMENT**

**4.1 Termination by Agreement of the Parties.** This Agreement may be terminated by the mutual written agreement of the Sellers and the Buyer. In the event of such termination, the Buyer shall have no further obligation or liability to the Sellers under this Agreement and the Sellers shall have no further liability to the Buyer under this Agreement.

**4.2 Termination by the Buyer.** This Agreement may, at the Buyer's option, be terminated by the Buyer if:

(a) the Closing for any reason shall not have occurred prior to November 15, 2013;  
or

(b) at any time prior to the Closing there shall be a material breach of any of the representations, warranties or covenants of the Sellers unless within fifteen (15) days (or such lesser number of days as is practicable under the circumstances) after receipt of notice thereof, the Sellers shall have cured such breach.

**4.3 Termination by the Sellers.** This Agreement may, at the Sellers's option, be terminated by the Sellers if:

(a) the Closing for any reason shall not have occurred prior to November 15, 2013;  
or

(b) at any time prior to the Closing there shall be a material breach of any of the representations, warranties or covenants of the Buyer unless within fifteen (15) days (or such lesser number of days as is practicable under the circumstances) after receipt of notice thereof, the Buyer shall have cured such breach.

## **SECTION 5. RESOLUTION OF DISPUTES**

**5.1 Resolution of Disputes.** In the event of a dispute between the Buyer and the Sellers, the parties agree to participate in good faith in a mediation procedure to its conclusion. If the parties are not successful in resolving the dispute through mediation, then they agree that the dispute shall be settled by arbitration in King County, Washington, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. The arbitration shall proceed in accordance with the Uniform Arbitration Act, RCW Chapter 7.04A.

**5.2 Attorneys' Fees.** It is the intent of the parties that, in the event of any action instituted among the parties in connection with this Agreement, the prevailing party or parties shall be entitled to recover from the losing party all the prevailing party's costs and expenses, including mediation, arbitration and court costs and reasonable attorneys' fees.

## **SECTION 6. MISCELLANEOUS MATTERS**

**6.1 Remedies.** All rights, remedies, undertakings, obligations, options, covenants, conditions and agreements contained in this Agreement or provided by law shall be cumulative and no one of them shall be exclusive of any other. A party may pursue any one or more of its rights options or remedies hereunder or may seek damages or specific performance in the event of another party's breach hereunder, or may pursue any other remedy by law or equity, whether or not stated in this Agreement.

**6.2 Nonwaiver.** No failure by a party to take action by reason of any default by any other party, whether in a single instance or repeatedly, shall constitute a waiver of any such default or of the performance required of the defaulting party. No express waiver by a party of any provision of this Agreement or a default by any other party in any one instance shall be construed as a waiver of the same provision or default in any subsequent instance.

**6.3 Further Assurances.** Each party hereto shall execute and/or cause to be delivered to each other party hereto such instruments and other documents, and shall take such other actions, as such other party may reasonably request (prior to, at or after the Closing) for the purpose of carrying out or evidencing any of the transactions.

**6.4 Counterparts.** This Agreement and any amendments hereto may be executed in multiple counterparts, each of which shall be deemed an original Agreement, and all of which shall constitute a single Agreement, by and among each of the parties hereto.

**6.5 Amendments.** This Agreement may only be amended or modified with the unanimous consent of the Sellers and the Buyer.

**6.6 Notices.** Any notice, request, demand instruction or other communication to be given to any party hereunder shall be in writing and either personally delivered to such party (or their authorized agent) or sent by registered or certified mail, postage prepaid, addressed as follows:

To the Sellers:           DAVID E. HARTMAN and SHARRON HARTMAN  
39 Holly Hill Drive  
Mercer Island, WA 98040

To the Buyer:           ELIZABETH DORNAY, Trustee  
HARTMAN GRANDCHILDREN'S IRREVOCABLE TRUST  
8904 SE 45th Street  
Mercer Island, WA 98040

BENJAMIN HARTMAN, Trustee  
HARTMAN GRANDCHILDREN'S IRREVOCABLE TRUST  
5604 E Mercer Way  
Mercer Island, WA 98040

**6.7 Successors.** This Agreement shall bind and inure to the benefit of the respective parties, their successors, heirs and permitted assignees.

**6.8 Captions.** The section headings and captions contained herein are inserted solely for convenience and shall in no way define, limit, extend or interpret the scope of this Agreement or any particular section.

**6.9 Severability.** If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the rest of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

**6.10 Governing Law.** This document shall be construed in accordance with and be governed by the laws of the State of Washington as applied to agreements among Washington residents entered into and to be performed entirely within Washington, without regard to any principles of conflicts of law.

**6.11 Gender and Number.** In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

**6.12 Entire Agreement.** This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein. Any agreements, understandings, warranties or representations not expressly contained in this Agreement shall in no way bind any party. To the maximum extent permitted by law, each party expressly waives any right of rescission and all claims for damages by reason of any statement, representation, warranty, promise and/or agreement, if any, not contained in or attached to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement for the Purchase and Sale of Securities effective October \_\_\_\_, 2013.

**“BUYER”**

\_\_\_\_\_  
ELIZABETH DORNAY, Trustee  
HARTMAN GRANDCHILDREN'S IRREVOCABLE  
TRUST u/t/d \_\_\_\_\_

\_\_\_\_\_  
BENJAMIN HARTMAN, Trustee  
HARTMAN GRANDCHILDREN'S IRREVOCABLE  
TRUST u/t/d \_\_\_\_\_

**“SELLERS”**

\_\_\_\_\_  
DAVID E. HARTMAN

\_\_\_\_\_  
SHARRON HARTMAN