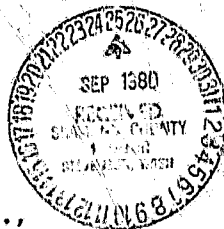


REAL ESTATE CONTRACT



1. Effective Date: September 25, 1980
2. Seller: LEWIS RIVER PROPERTIES, INC.,
a Washington corporation,
3. Purchaser: ALAN D. MADSON and PRISCILLA M. MADSON,
husband and wife,

4. Property Sold. The seller agrees to sell to the purchaser, and the purchaser agrees to purchase from the seller, the following described real estate, with the appurtenances thereon, situated in Skamania County, Washington:

LEGAL DESCRIPTION IS ATTACHED AS EXHIBIT "A"

5. Payment Terms. The terms and conditions of this contract are: Purchase price of the real estate is TWENTY-FIVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$25,500.00), of which FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00) has been paid, the receipt of which is hereby acknowledged. The balance of TEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$10,500.00) shall be paid as follows: TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00), plus interest accrued thereon, on or before November 30, 1980; this sum shall bear interest at eleven percent (11%) per annum from September 25, 1980 until paid. The balance of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00) will be paid on or before September 1, 1981 but not before June 1, 1981; this sum shall bear no interest if paid prior to delinquency.

6. Encumbrance. It is understood that there is a mortgage on the property in favor of Timber Trails Inc. and Chateau Properties, Inc., and the seller agrees to pay such obligation and will not let the same get in default during the term of this contract. In the event seller fails to make payments on the obligation, purchaser may do so and such payments shall be credited toward the payments due under this contract.

7. Fulfillment Deed. On full payment of the purchase price and interest in the manner hereinabove specified, the seller agrees to execute and deliver to purchaser a Warranty Deed to the property, free and clear of any encumbrances, except those encumbrances and obligations being assumed by the purchaser, if any, according to Paragraph 4 above, and any that may accrue hereafter due to any person other than the seller.

8. Possession. The purchaser is entitled to physical possession on September 25, 1980.

9. Prorate Items. The following items will be prorated between seller and purchaser as of September 25, 1980: ITEMS: real estate taxes.

10. Future Taxes. The purchaser agrees to pay before delinquency all taxes and assessments which may, as between seller and purchaser, hereafter become a lien on the real estate.

LAW OFFICES OF
Landerholm, Mandelich,
Lanzewik, Whitelides, Merz,
Wilkinson & Hilsenrath, Inc., P.C.
Broadway at Evergreen, Suite 400
P.O. Box 1000
Vancouver, Washington 98660
(206) 696-2211

Transferred to Skamania County Assessor's Office
Skamania County Assessor, P.O. Box 1000
Vancouver, WA 98660

11. Acceptance of Premises. The purchaser agrees that a full inspection of the premises has been made. The seller shall not be liable under any agreement with respect to (a) the condition of the premises, or (b) any service, installation, maintenance, or construction charges for sewer, water or electricity, or (c) for alterations, improvements or repairs, unless the agreement is in writing and attached to this contract.

12. Title Insurance. The seller agrees to procure within fifteen (15) days from date a purchaser's policy of title insurance in standard form, insuring the purchaser to the full extent of the purchase price against loss or damage by reason of defect in the record title of the seller to the real estate herein described or by reason of prior liens or encumbrances not assumed by the purchaser in this contract.

13. General Advancements by Seller. In case the purchaser fails to make any payment to others as herein provided or to maintain insurance, if required herein, the seller may make such payment or effect such insurance, and any amounts so paid by the seller, together with interest at the rate of 12% per annum thereon from date of payment until repaid, shall be repayable by purchaser on seller's demand, all without prejudice to any other rights the seller might have by reason of such default.

14. Default Provisions.

(a) Right to Collect Payments. Seller may elect to bring an action on any overdue installment or on any payment or payments made by seller and repayable by purchaser. The promise to pay intermediate installments is independent of the promise to make a deed.

(b) Forfeiture Provisions. Time is of the essence of this contract. No waiver by the seller of any default on the part of the purchaser shall be construed as a waiver of any subsequent default. In the event purchaser shall fail to comply with any condition hereof or to make any payment required, the seller may elect to declare all of the purchaser's rights hereunder terminated. Upon his doing so, all payments made by the purchaser and all improvements placed upon the real estate shall be forfeited to the seller as liquidated damages, and the seller shall have the right to re-enter and take possession of the property. A 30-day notice of intent to declare a forfeiture shall be made by seller in writing. Within the 30-day period the purchaser shall have the right to remove the grounds for forfeiture specified in the notice. Purchaser shall not be reinstated, however, until the purchaser has paid to the seller all expenses that seller has incurred in the declaration and service of such notice, including attorney's fees incurred by seller.

(c) Attorney's Fees.

(1) If this contract or any obligation contained in it is referred to an attorney for collection or realization, purchaser agrees to pay seller's attorney's fees, including fees incurred with or without legal suit, expenses of searching records to determine the

condition of title, and all other related legal expenses.

(2) In the event litigation arises out of this contract, the losing party agrees to pay the prevailing party's attorney's fee, together with all costs and expenses incurred in connection with such action, including the cost of searching records to determine the condition of title.

(d) Notice Provisions. Service of all demands or notices pursuant to this contract may be made by certified mail and regular mail, postage prepaid, directed to the purchaser or seller at his address stated below. The time specified in any notice shall commence to run from the date of the postmark.

~~(e) Acceleration. In the event purchaser shall fail to comply with any condition hereof or to make any payment required, the seller may elect to declare all of the sums obligated to be paid by the purchaser herein to be immediately due and payable. Prior to acceleration, a thirty (30) day notice of intent to accelerate shall be made by seller in writing. Within the thirty (30) day period, the purchaser shall have the right to remove the grounds for acceleration specified in the notice. Acceleration shall be declared, however, unless the purchaser has paid to the seller all expenses that seller has incurred in the declaration of intention to accelerate and service of such notice, including attorney's fees incurred by the seller. Upon acceleration being declared, all sums due under this contract, including all costs and attorney's fees, shall immediately be payable in full, and purchaser shall have no right to bring the delinquencies current and reinstate the contract.~~

15. Condemnation. In the event of the taking of any part of the property for public use, all of the monies received by reason thereof shall be applied as a payment on account of the purchase price of the property, less any sum which the seller may be required to expend in procuring such money.

16. Nuisance. The purchaser will not create a nuisance or commit waste on the premises.

17. Late Charges. In the event the purchaser shall be delinquent more than fifteen (15) days in making any payment, a late charge of four percent (4%) of the delinquent payment or payments shall be made. The late charge will be computed monthly on all sums which are delinquent.

18. Collection. The seller may place this contract for collection with the agent of his choice, may transfer the collection from one agent to another, and may terminate any collection, all at the seller's election.

19. Purchaser's Closing Expense. Purchaser will pay \$125.00 at closing toward closing expenses; the balance thereof will be paid by seller.

20. Miscellaneous.

(a) The present sewage disposal site evaluation expires July 10, 1981.

(b) If purchaser desires to classify the property as timber land, application therefor must be filed with Skamania County Assessor.

(c) Receipt of a copy of the Beacon Highlands survey, the road maintenance agreement and Covenants and Restrictions is acknowledged by purchaser.

21. Seller's Address. P.O. Box 1086
Vancouver, Washington 98666

22. Purchaser's Address. 12410 N.W. 19th Avenue
Vancouver, Washington 98665

IN WITNESS WHEREOF, the parties hereto have signed this instrument this 24 day of Sept, 1980.

SELLER:

PURCHASER:

LEWIS RIVER PROPERTIES, INC.,
a Washington corporation,

By

Deane J. Lander Alan D. Madson
ALAN D. MADSON

By

Priscilla M. Madson
PRISCILLA M. MADSON

STATE OF WASHINGTON)

) ss.

County of Clark)

On this day personally appeared before me Deane J. Lander and Alan D. Madson to me known to be the Vic. Pres. and President, respectively, of LEWIS RIVER PROPERTIES, INC., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.

GIVEN under my hand and official seal this 24th day of Sept, 1980.

7731

No. 7731
TRANSACTION ENGINE 117

SEP 25 1980
Amount Paid... \$ 15,000 ..

Skamania County Assessor
By Deane J. Lander

Betty H. Fitch
Notary Public in and for the
State of Washington, residing
at Vancouver
Washington

- 4 -

LAW OFFICES OF
Sandstrom, Altmeyer,
Lonsdale, Willesides, Ward,
Wilkinson & Vossner, Inc., P.C.
University at Evergreen, 400
P.O. Box 1086
Vancouver, Washington 98666
(206) 593-3312

EXHIBIT "A"

The following described real estate situated in Skamania County, Washington:

A tract of land located in Section(s) 26 and 27, Township 2 North, Range 6 East of the Willamette Meridian, described as follows:

Tract No. 3 according to survey designated Beacon Highlands recorded in Book 1 of Surveys at page 257, under Auditor's File No. 91239, recorded September 12, 1980, records of Skamania County, Washington.

Together with 60 foot easements for ingress, egress and utilities over and across that roadway designated Easement "A" and Easement "C" as set forth on survey recorded September 12, 1980, in Book 1 of Surveys at page 257, under Auditor's File No. 91239, records of Skamania County, Washington.

Subject to a 60 foot non-exclusive easement for ingress, egress and utilities over and across that roadway designated Easement "C" as set forth on survey recorded September 12, 1980, in Book 1 of Surveys, at page 257, under Auditor's File No. 91239, records of Skamania County, Washington.

Subject to an easement for a pipeline granted to the Pacific Northwest Pipeline Corporation, recorded under Auditor's File No. 49936 at page 479 of Book 40 of Deeds, records of Skamania County, Washington, and by right of way contract recorded under Auditor's File No. 50086, on February 15, 1956, at page 178 of Book 41 of Deeds, records of Skamania County, Washington.

Subject to a Declaration of Road Maintenance Agreement recorded in Book 6 of Agreements and Leases at page 383, under Auditor's File No. 91240, recorded September 15, 1980, records of Skamania County, Washington, to which reference is hereby made for full particulars. (Affects all lots in Beacon Highlands).

Subject to a Declaration of Covenants and Restrictions for Beacon Highlands recorded in Book 78 of Deeds, page 668, under Auditor's File No. 91241, recorded September 12, 1980, records of Skamania County, Washington, to which reference is hereby made for full particulars. (Affects all lots in Beacon Highlands).