96633

2-7-16-500 2-7-16-500-06 SK-13256

AND:

LAND SALE CONTRACT

DATED: 9-26-1983

BETWEEN: BIBA HOT SPRINGS, INC.

1 Cascade Hot Springs Road North

Bonneville, WA 98639

CANTEXANCES

CALLOL OF 1835

C

"Seller"

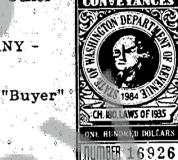


BIBA HOT SPRINGS DEVELOPMENT COMPANY -

A Limited Partnership

1 Cascade Hot Springs Road North

Bonneville, WA 98639



RECITAL:

Buyer hereby agrees to buy from Seller and Seller hereby agrees to sell to Buyer upon the terms and conditions hereinafter set forth, a certain parcel of real property located in Skamania County, Washington, more particularly described on Exhibit "A" attached hereto and incorporated herein by reference. Said parcel contains 46 acres more or less;

TOGETHER WITH all the rights, easements, tenements, hereditaments and appurtenances presently or hereafter during the continuation of this contract, belonging or appertaining thereto, together with the rents, issues and profits thereof and all fixtures and property that may now be located on and property or may be hereafter attached to or installed on said property.

IT IS HEREBY AGREED:

1.0 PURCHASE PRICE

1.1 The purchase price to be paid by the Buyer to the Suyer Sell TWO HUNDRED FORTY THOUSAND AND NO/100THS DOLLARS (\$240, Scalar)

1.2 The total purchase price shall be paid as follows:

A. The property is presently subject to a mortgage with Seller as mortgagor and John E. Sullivan, Nita L. Sullivan and Hazel V. Stutsman as mortgagees, dated November 25, 1981. A copy of said mortgage is attached hereto as Exhibit "A" and is by this reference incorporated herein. Payment of ONE HUNDRED NINETY THOUSAND AND NO/100TH DOLLARS (\$190,000.00) shall be paid pursuant to the two promissory notes attached hereto as Exhibits "B" and "C". Seller hereby assigns, transfers and sets over to the Buyer all right, title and interest of the Seller pursuant to said mortgage and Buyer by acceptance hereof assumes and agrees to pay all installments remaining due under the said promissory notes, to reimburse Seller for

Transaction in compliance with County sub-division ordinances. Skamania County Assessor By: A) L

payments which have already been made thereunder, to perform all other covenants to be kept and perform by the Seller under said mortgage and promissory notes and to indemnify Seller against liability under the promissory notes.

- B. Interest on the remaining balance of FIFTY THOUSAND AND NO/100TH DOLLARS (\$50,000.00) shall accrue at the rate of 12% per annum from the date of closing. This amount and all interest accruing thereon shall be due and payable on or before November 25, 1988.
- 1.3 In the event Buyer fails to pay, when due, any amounts required of Buyer to be paid to third party under this contract. Seller may pay any or all such amounts. If Seller makes any such payments, the amounts so paid shall be added to the principal balance described in paragraph 1.2B and shall bear interest at the rate of 12% per annum. Seller's election to make any payment pursuant to this paragraph shall not constitute a waiver of Seller's right to declare Buyer to be in default of this contract and to exercise any remedies set forth herein.

2.0 TAXES AND ASSESSMENTS

2.1 The Buyer assumes and agrees to pay before delinquency, and provide Seller with reasonable evidence of such payment within ten (10) days thereafter, all taxes and assessments of any kind or character which may hereafter be assessed against or become a lien on the said real estate.

3.0 REPRESENTATIONS

3.1 Buyer agrees that full inspection of said property has been made, and that neither Seller, Seller's assigns, nor Seller's representative have made any representations concerning the condition of the property or the improvements thereon nor has any agreement for alteration, improvement or repair been made unless the same is set forth in this agreement.

4.0 RISK OF LOSS

4.1 Buyer assumes all hazards of damage to or destruction of any improvements now or hereafter located on said real property and of the taking of said real property or any part thereof for public use, and agrees that no such damage, destruction or taking shall constitute a failure of consideration.

5.0 CONDEMNATION AWARD

5.1 In case any part of the real estate is hereafter taken for public use, the portion of the condemnation award or any payment in lieu thereof remaining after payment of reasonable expenses of procuring the same shall be paid to Seller and applied in payment to the principal portion of payments thereafter falling due hereunder in inverse order of their maturity. The foregoing notwithstanding, Seller may elect to allow Buyer to apply all or a portion of such condemnation award to the rebuilding or restoration of any improvements damaged by such taking.

6.0 IMPROVEMENTS

6.1 Buyer agrees not to clear-cut-log the trees on the property, and will not move or demolish existing buildings on the property without the written consent of the Seller. Seller will not unreasonably withhold their consent.

2 - LAND SALE CONTRACT

7.0 INSURANCE

7.1 Buyer agrees, until the purchase price is fully paid, to keep the buildings now and hereafter placed on said real estate insured to the actual cash value—thereof against loss or damage by both fire and windstorm in a company acceptable to Seller and for Seller's benefit, as his interest may appear, and to pay all premiums therefor and to deliver all policies and renewals thereof to Sellers.

8.0 INSURANCE PROCEEDS

8.1 In the case of damage or destruction from a peril insured against, the proceeds from such insurance remaining after payment of the reasonable expenses of procuring the same shall be devoted to the restoration or rebuilding of such improvements with a reasonable time, unless Buyer elects in writing that such proceeds be paid to Seller for application, in inverse order of their maturity, against the principal portion of any payment of the unpaid balance hereunder thereafter falling due, in which event, such insurance proceeds shall be so applied.

9.0 USE AND MAINTENANCE

9.1. Buyer covenants to keep the buildings and other improvements, if any, now or hereafter located on said real estate in good repair and not to permit waste nor use nor permit the use of said property for any illegal purpose. Buyer covenants to pay all service, installation or construction charges for water, sewer, electricity, garbage or other utilities furnished to said real estate after Buyer is entitled to possession.

10.0 FULFILLMENT DEED

10.1 Seller agrees, upon receipt of full payment of the purchase price and interest in the manner above specified and when all other terms, conditions and covenants of this contract have been met, to convey the above-described real property to Buyer by statutory warranty deed, excepting any part thereof which may hereafter be taken for public use, free and clear of encumbrances except those which may attach after the date hereof through any person other than the Seller or Seller's successors and assigns, and except such encumbrances as Buyer has assumed or to which Buyer has purchased subject as stated herein, building restrictions and mineral rights, restrictions and easements of record, current taxes, municipal liens, water rights or rents and public charges assumed or created by or arising out of the occupancy of the premises by Buyer subsequent to the date hereof.

11.0 POSSESSION

11.1 Buyer shall be entitled to possession on the date of closing as hereinafter specified and shall be entitled to retain possession so long as Buyer is not in default hereunder.

12.0 ASSIGNMENT

12.1 Buyer shall not assign this contract nor any interest herein nor sell any interest herein without the written consent of Seller, which Consent Seller agrees not to unreasonably withhold.

13.0 SELLER'S REMEDIES

13.1 Time is of the essence of this contract. In the event Buyer shan fail to comply with or perform any condition or agreement hereof promptly at the time and in the manner herein specified and shall fail to correct said default together with payment of reasonable costs and attorneys fees for issuing notice of such default within a period of thirty (30) days after personal servce or date of mailing of notice thereof as herein provided, the same shall constitute a material breach of this agreement, and thereupon Seller may exercise any of the following optional, cumulative remedies:

A. Seller may elect to declare this contract null and void and all of Buyer's rights hereunder terminated and upon so doing, all payments made by Buyer hereunder may be declared forfeited to Seller as liquidated damages, and Seller shall have the right to re-enter and take possession of the real estate and Buyer in such event agrees to immediately surrender possession of said premises and submit his quit claim deed to the Seller. In the event Buyer refuses to submit his quit claim deed, Seller may foreclose this contract by any appropriate action, and in any of such cases, all the right and interest hereby created or then existing in favor of the Buyer derived under this agreement, shall utterly cease and terminate.

intermediate overdue installment or on any payment or payments made by Seller and repayable by Buyer, it being stipulated that the covenants to pay intermediate installments or to pay items repayable by Buyer are independent of the covenant to make a deed, and that every such action is an action arising on contract for the recovery of money only, as if the promise to pay had been expressed in a different instrument. Buyer agrees that no such action shall constitute an election not to proceed otherwise as to any subsequent default, and no waiver by Seller of any default of Buyer shall be construed as a waiver of any subsequent default.

C. Seller may accelerate and declare the entire unpaid balance immediately due and payable and may commence an action against Buyer for said unpaid balance, together with any other sums due Seller or herein required to be paid by Buyer by virtue of this contract, including but not limited to interest and delinquent taxes or assessments and reasonable attorney's fees.

In addition thereto, and not in limitation thereof. Seller shall have all of the rights granted to Seller by and under the laws of the state in which the above-described property shall be situated. If any of the rights hereinabove given shall be contrary to the laws of such state, such of the rights as shall be so contrary shall be null and void and of no force or effect, except to the maximum extent thereby permitted. The failure of Seller to bring an action against Buyer at any time upon the violation of any of the terms of this contract by Buyer shall not be construed to be a waiver of any of the rights of Sellers specified herein.

14.0 COSTS AND ATTORNEYS' FEES

14.1 In the event either party shall fail to comply with or perform any condition or agreement hereof promptly at the time and in the manner herein specified, the defaulting party shall thereafter pay all costs and expenses, 4 - LAND SALE CONTRACT

including reasonable attorneys' fees, incurred by the non-defaulting party in the enforcement of said non-defaulting party's rights herein whether by notice of default, any judicial action for rescission, declaratory judgment, specific performance, foreclosure or damages, appellate judicial action, arbitration or other means.

15.0 NOTICES

15.1 All demands, notices and notices of forfeiture may be personally served upon the parties or service thereof may be made by certified mail, addressed to the respective parties at the following addresses:

SELLER: BIBA HOT SPRINGS, INC.

6:0

1 Cascade Hot Springs Road North

Bonneville, WA 98639

BUYER: BIBA HOT SPRINGS DEVELOPMENT COMPANY -

A Limited Partnership

Biba Hot Springs, Inc., General Partner

1 Cascade Hot Springs Road North

Bonneville, WA 98639

BUYER: BIBA HOT SPRINGS DEVELOPMENT COMPANY

A Limited Partnership

William H. Kautz, General Partner

61 Renato Court, #8

Redwood City, CA 94061

16.0 TITLE INSURANCE

16.1 Seller shall furnish to Buyer a purchaser's policy of title insurance at this time which shall be the only policy of title insurance Seller is required to furnish. Such policy shall insure Buyer to the full amount of the purchase price against loss or damage by reason of defect in Seller's title as the date of closing and contain only those exceptions standard to title insurance policy forms; and lien or encumbrance which Buyer is to assume or to which this conveyance is herein expressly made subject; any existing contract or contracts or mortgages or other obligations which Seller by this contract agrees to pay, none of which shall be deemed defects in Seller's title.

17.0 MISCELLANEOUS

17.1 This agreement shall be and be deemed to be an integrated agreement, superseding all prior oral or written agreements between the parties relative to the subject matter hereof and shall be binding upon the respective parties, their heirs, successors and assigns. If any part of this agreement shall be found or held to be invalid, such finding shall not affect the validity of any other part hereof. Unless some other meaning and intent is apparent from the context, the plurals shall include the singular and vice versa, and masculine, feminine and neuter words shall be used interchangeable.

18.0 RIGHT OF FIRST REFUSAL

18.1 If Seller sells this contract, he agrees to give Buyer the first right of refusal. In the event Buyer elects to purchase, Seller agrees to give Buyer ninety (90) days after notice to close the purchase. Otherwise this option shall terminate.

5 - LAND SALE CONTRACT

IN WITNESS WHEREOF, said parties have executed this instrument in duplicate the day and year first above written.

Seller: BIBA HOT SPRINGS, ING.

By: Vadim Krijanovsky, President

BUYER: BIBA HOT SPRINGS DEVELOPMENT COMPANY - A

Limited Partnership

By: Vadim Krijanovsky, President

Biba Hot Springs, Inc., General Partner

By: William H. Kautz General Partner

STATE OF OREGON) ss. County of Multnomah

On this 26 day of 1983, personally appeared before Vadim Krijanovsky, who, being first duly sworn, did say that he is the president of Biba Hot Springs, Inc., a Washington corporation and the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the instrument was signed and sealed on behalf of said corporation by authority of its board of directors; and he acknowledged to me that he signed this instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

Notary Public for State of Oregon My Commission Expires: // &C

STATE OF OREGON

County of Multnomah) ss.

On this L day of 1983, personally appeared before Vadim Krijanovsky, who, being first duly sworn, did say that he is the president of Biba Hot Springs, Inc., a Washington corporation, which is a General Partner of Biba Hot Springs Development Company - A Limited Partnership, and that the instrument was signed and sealed on behalf of said Limited Partnership and he acknowledged to me that he signed this instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

POOL 82 PAGE 82/

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

> Notary Public for State of Oregon My Commission Expires: 11/86

STATE OF California)

County of San Mates?

On this 7 day of October, 1983, personally appeared William H. Kautz, who first being duly sworn did say that he is a general partner of Biba Hot Springs Development Company - A Limited Partnership, a Washington limited partnership, and that he acknowledged to methat he signed this instrument as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year first above written.

votary/Public for State of My Commission Expires:

9529

TRANSACTION EXCISE

NDY 1 1983 Amount Paid 2568.

Skamania County Treasure

EXHIBIT "A"

REAL ESTATE MORTGAGE

THE MORTGAGOR, BONNEVILLE HOT SPRINGS RESORT, INC., a washington Corporation, mortgages to JOHN E. SULLIVAN and NITA L. SULLIVAN, his wife, and HAZEL V. STUTSMAN, to secure the total payment of ONE HUNDRED NINETY THOUSAND and no/100 DOLLARS (\$190,000.00), plus interest, according to the terms of two (2) separate promissory notes dated herewith, made by mortgagor and payable to the order of the respective mortgages, the following described real estate situated in Skamania County, Washington:

PARCEL 1

THAT PORTION OF THE B.B. BISHOP D.L.C. IN SECTIONS 16, 17 and 20, TOWNSHIP 2 NORTH, RANGE 7 EAST OF THE WILLA-METTE MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE SAID SECTION 16, WITH THE NORTHERLY LINE OF THE COUNTY ROAD KNOWN AS THE MOFFETTS-CARPENTER ROAD; THENCE FOLLOW-ING THE NORTHERLY LINE OF SAID ROAD IN A NORTHERLY AND EASTERLY DIRECTION TO INTERSECTION WITH THE WESTERLY LINE OF THE 300 FOOT STRIP OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA FOR THE BONNEVILLE POWER ADMINISTRATION'S ELEC-TRIC POWER TRANSMISSION LINES (BOOK 27 PAGE 315); THENCE FOLLOWING THE WESTERLY LINE OF SAID 300 FOOT STRIP OF LAND TO INTERSECTION WITH THE NORTH LINE OF SAID BISHOP D.L.C.; THENCE WEST ALONG THE NORTH LINE OF SAID BISHOP D.L.C. TO THE NORTHWEST CORNER THEREOF; THENCE SOUTH ALONG THE WEST LINE OF SAID BISHOP D.L.C. TO THE NORTHERLY LINE OF THE SAID MOFFETTS-CARPENTER ROAD; THENCE EASTERLY ALONG THE NORTH LINE OF SAID ROAD TO THE POINT OF BEGINNING: EXCEPT THE FOLLOWING TRACT OF LAND: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SAID BISHOP D. L. C. WITH THE WEST-ERLY LINE OF SAID 300 FOOT STRIP OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA (BOOK 27 PAGE 315) THENCE SOUTH 32° 27 30" WEST 754 95 FEET, MORE OR LESS, TO THE NORTH-ERLY LINE OF SAID MOFFETTS-CARPENTER ROAD; THENCE IN A NORTHWESTERLY DIRECTION FOLLOWING THE NORTHERLY LINE OF SAID ROAD TO INTERSECTION WITH THE CENTERLINE OF THE RIGHT-OF-WAY GRANTED TO THE NORTHWESTERN ELECTRIC COMPANY (BOOK "O" PAGE 85) : THENCE IN A NORTHEASTERLY DIRECTION FOLLOW-ING THE CENTERLINE OF SAID RIGHT-OF-WAY TO INTERSECTION WITH THE NORTH LINE OF THE SAID BISHOP D.L.C., THENCE EAST TO THE POINT OF BEGINNING.

PARCEL 2

THAT PORTION OF GOVERNMENT LOTS 8 AND 9 OF SECTION 16, TOWNSHIP 2 NORTH, RANGE & EAST OF THE WILLAMETTE MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT MARKING THE INTERSECTION BETWEEN THE CENTER OF GREENLEAF GREEK AND THE SOUTH LINE OF THE SAID GOVERNMENT LOT 9, SAID POINT BEING LOCATED ON THE NORTH LINE OF THE B.B. BISHOP D.L.C.; THENCE FOLLOWING THE CENTER OF GREENLEAF CREEK IN A NORTHEASTERLY DIRECTION TO A POINT IN THE SAID GOVERNMENT LOT 8, NORTH 430 FEET FROM THE NORTH LINE OF THE SAID BISHOP D.L.C.; THENCE WESTERLY PARALLEL TO, AND 430 FEET DISTANT FROM, THE NORTH LINE OF THE SAID BISHOP D.L.C. TO INTERSECTION WITH THE WEST LINE OF THE SAID GOVERNMENT LOT 9; THENCE SOUTH TO THE NORTH LINE OF SAID BISHOP D.L.C.; THENCE EASTERLY ALONG THE NORTH LINE OF SAID BISHOP

D.L.C. TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION THEREOF LYING WESTERLY OF THE NAT-URAL GAS PIPELINE CONVEYED TO PACIFIC NORTHWEST PIPELINE CORPORATION (BOOK 40 PAGE 465); and

EXCEPT A TRACT OF LAND 40 FEET BY 115 FEET IN SIZE IN GOVERNMENT LOT 9 OF SECTION 16, TOWNSHIP 2 NORTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, GRANTED TO WILLIAM F. HOWARD BY DEED DATED OCTOBER 2, 1964 AND RECORDED OCTOBER 20, 1964 AT PAGE 287 OF BOOK 53 OF DEEDS, RECORDS OF SKAMANIA COUNTY, WASHINGTON.

It is agreed that all lighting, heating, plumbing and other fixtures now or hereafter used in connection with the buildings on the above property shall be construed as a part of the realty.

The mortgagees agree to subordinate their security interest in the above property to any financial institution that lends money to the mortgagor for the purpose of making capital improvements on said real estate, provided that and to the extent that said loan funds are used for capital improvement purposes.

In preparation of any improvements to the subject property the parties agree that the mortgagor shall have the right to cause the destruction and removal of the existing building(s).

Mortgagor agrees to pay before delinquency all taxes, liens, assessments and all interest and charges on prior encumbrances upon said property, and to keep the buildings constructed upon said property in good repair and insured in a company approved by the mortgagees for not less than \$190,000.00), with a loss payable clause to the mortgagees.

In case of failure to perform any of the foregoing covenants, or if default is made in the payment of said notes or the interest accruing thereon, or any part thereof, according to their terms, then this mortgage may be at once foreclosed and in such foreclosure suit there shall be included in the judgment a reasonable sum as attorneys fees, together with all sums paid by the mortgagees or assigns on account of taxes, liens, assessments, abstracts or title insurance charges, costs of searching records, interest, and fire insurance, with interest at the highest rate allowed under the laws of the State of Washington up to but not exceeding 16% per annum from date of judgment.

REAL ESTATE MORTGAGE
BONNEVILLE HOT SPRINGS RESORT, INC. to SULLIVANS & STUTSMAN
Page 2 of 3 Pages

DATED at Stevenson, Washington, this 25th day of November,

1981.

BONNEVILLE HOT SPRINGS RESORT, INC., a Washington Corporation, by:

STATE OF WASHINGTON)

County of Skamania

THIS IS TO CERTIFY that on the 25th day of November, 1981, personally appeared before me VADIM KRIJANOVSKY, to me known to be the of the corporation that executed the within and foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the instrument and that the seal affixed is the corporate seal of the corporation.

IN WITNESS WHEREOF I have hereunto set my hand and seal the day and year first above written.

> Public in and for the State of Washington, residing at Stevenson

REAL ESTATE MORTGAGE BONNEVILLE HOT SPRINGS RESORT, INC. to SULLIVANS & STUTSMAN Page 3 of 3 Pages

EXHIBIT "B"

\$ 171,000.00

PROMISSORY NOTE (Installment)

Stevenson, Wash., November 25th, 1981.

FOR VALUE RECEIVED, the undersigned promises to pay to the order of JOHN E. SULLIVAN and NITA L. SULLIVAN, his wife, the sum of ONE HUNDRED SEVENTY-ONE THOUSAND and no/100 DOLLARS, in lawful money of the United States of America, with interest thereon from the date hereof in like lawful money at the rate of 7 1/2 per cent per annum. This note shall be payable in fifteen (15) equal annual installments with the first of said installments becoming due and payable one (1) year from the date of closing which shall be the date that the mortgage securing this note is finally recorded with the Skamania County Auditor. From each of said payments shall first be deducted accumulated interest and the balance shall be applied towards the reduction of principal.

paid according to its terms the holder hereof, without demand, may bring suit or action to enforce the terms hereof and the maker agrees to pay all of holders' costs in so doing including reasonable attorneys fees. All delinquent amounts shall bear interest at the highest rate allowed under the laws of the State of Washington up to but not exceeding 16% per annum.

THIS NOTE IS MADE, EXECUTED UNDER, AND IS TO BE CONSTRUED BY
THE LAWS OF THE STATE OF WASHINGTON, AND IS SECURED BY A MORTGAGE ON
REAL PROPERTY BEARING EVEN DATE HEREWITH.

VADIM KRIJANOVSKY

GUARANTEED BY BONNEVILLE HOT SPRINGS RESORT, INC., a Washington Corporation, by:

(President)

EXHIBIT 'C"

\$19,000.00

PROMISSORY NOTE (Installment)

Stevenson, Wash., November 25#, 1981.

FOR VALUE RECEIVED, the undersigned promises to pay to the order of HAZEL V. STUTSMAN the sum of NINETEEN THOUSAND and no/100 DOLLARS, in lawful money of the United States of America, with interest thereon from the date hereof in like lawful money at the rate of 7 1/2 per cent per annum. This note shall be payable in fifteen (15) equal annual installments, with the first of said installments becoming due and payable one (1) year from the date of closing which shall be the date that the mortgage securing this note is finally recorded with the Skamania County Auditor. From each of said payments shall first be deducted accumulated interest and the balance shall be applied towards the reduction of principal.

TIME IS OF THE ESSENCE and in the event this note is not paid according to its terms the holder hereof, without demand, may bring suit or action to enforce the terms hereof and the maker agrees to pay all of holders' costs in so doing including reasonable attorneys fees. All delinquent amounts shall bear interest at the highest rate allowed under the laws of the State of Washington up to but not exceeding 16% per annum.

THIS NOTE IS MADE, EXECUTED UNDER, AND IS TO BE CONSTRUED BY
THE LAWS OF THE STATE OF WASHINGTON, AND IS SECURED BY A MORTGAGE ON
REAL PROPERTY BEARING EVEN DATE HEREWITH.

VADIM KRIJANOVSKY

GUARANTEED BY BONNEVILLE HOT SPRINGS RESORT, INC., a Washington Corporation, by:

(President)