

REAL ESTATE CONTRACT

THIS CONTRACT, made and entered into this 28th day of September, 1984, between DANIEL L. LILLEGARD and JUDIE A. LILLEGARD, husband and wife, hereinafter called the "sellers", and CHRISTOPHER A. LEXOW and DEBRA J. LEXOW, husband and wife, hereinafter called the "purchasers",

WITNESSETH: That the sellers agree to sell to the purchasers and the purchasers agree to purchase from the sellers the following described real estate, with the appurtenances, in Skamania County, State of Washington:

A tract of land known as Lot 2 of the D. Lillegard Short Plat in the NW $\frac{1}{4}$ of Section 36, Township 3 North, Range 7 E.W.M.

SUBJECT TO an easement for well, spring and water lines as indicated on the D. Lillegard Short Plat dated December 20, 1984, and recorded December 21, 1984.

The terms and conditions of this contract are as follows:

Price and Payment Terms

1. The purchase price is Thirteen Thousand Eight Hundred Dollars (\$13,800.00), of which \$2,246.77 has been paid, the receipt of which is hereby acknowledged, and the balance of said purchase price shall be paid as follows:

(a) Two Hundred Dollars (\$200.00), or more at purchasers' option, on or before the 1st day of October, 1984, and \$200.00, or more at purchasers' option, on or before the 1st day of each succeeding calendar month thereafter until the balance of said purchase price shall have been fully paid.

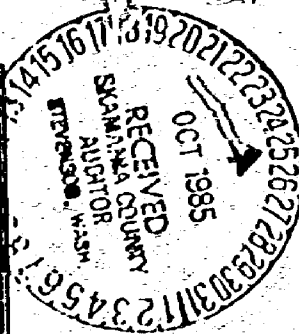
(b) The purchasers further agree to pay interest on the diminishing balance of said purchase price at the rate of twelve per cent (12%) per annum from the 1st day of April, 1984, which interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal.

(c) Purchasers agree that the entire purchase price, together with interest as specified herein, shall be paid in full by December 1, 1991, and that the amount of the final payment shall be the total of the principal and interest remaining unpaid.

2. All payments to be made hereunder shall be made at P.O. Box 251, Stevenson, Washington or at such other place as the sellers may direct in writing.

3. As referred to in this contract, "date of closing" shall be October 1, 1984.

4. Purchasers may at their option pay the entire balance of the purchase price remaining due, or any part of such balance, at any time before maturity, without notice to sellers and without penalty.



5. The purchasers assume and agree to pay before delinquency all taxes and assessments, including but not limited to any governmental improvement assessments or charges that may as between grantor and grantee hereafter become a lien on said real estate. Upon request by sellers, purchasers will show proof of said payments.

Inspection

6. The purchasers agree that full inspection of said real estate has been made and that neither the sellers nor the assigns shall be held to any covenant respecting the condition of any improvements thereon nor shall the purchasers or sellers or the assigns of either be held to any covenant or agreement for alterations, improvements or repairs unless the covenant or agreement relied on is contained herein or is in writing and attached to and made a part of this contract.

Taking

7. The purchasers assume all risk hereafter placed on said real estate or of the taking of said real estate or any part thereof for public use; and agree that any such taking shall not constitute a failure of consideration. In case any part of said real estate is taken for public use, the portion of the condemnation award remaining after payment of reasonable expenses of procuring the same shall be paid to the sellers and applied as payment on the purchase price herein unless the sellers agree in writing to allow the purchasers to apply all or a portion of such condemnation award to the rebuilding or restoration of any improvements damaged by such taking.

Timber

8. Purchasers shall not be entitled to cut or remove any timber from the property unless the following conditions are first satisfied:

a. Purchasers shall give not less than fifteen (15) days prior written notice to sellers that cutting is contemplated, which notice shall include an accurate legal description of the area which is to be cut, the amount of board feet to be cut, and the market value of the timber proposed to be cut or removed;

b. Purchasers shall not be entitled to cut any timber, if, in sellers' sole opinion, such cutting would unreasonably diminish sellers' security under this contract; and

c. Purchasers shall not be entitled to cut any timber without the written consent of sellers. Any denial by sellers to cut timber shall also be in writing and state specifically the reasons therefore,

d. If any timber is cut or removed, all proceeds of sale shall be paid directly to sellers and applied towards the purchase price hereunder. The application of such proceeds shall not, however, excuse purchasers from the payment of any installments or other payments required hereunder,

Title Insurance

9. The sellers have delivered, or agree to deliver within fifteen (15) days of the date of closing, a purchasers' policy of title insurance in standard form, or a commitment therefor, issued by Safeco Title Insurance Company, insuring the purchasers to the full amount of said purchase price against loss or damage by reason of defect in sellers' title to said real estate as of the date of closing and containing no exceptions other than the following:

- a. Printed general exceptions appearing in said policy form;
- b. Liens or encumbrances which by the terms of this contract the purchasers are to assume, or as to which the conveyance hereunder is to be made subject; and
- c. Any existing contract or contracts under which sellers are purchasing said real estate, and any mortgage or other obligation, which sellers by this contract agree to pay, none of which for the purpose of this paragraph 8. shall be deemed defects in sellers' title.

Deed

10. The sellers agree, upon receiving full payment of the purchase price and interest in the manner above specified, to execute and deliver to purchasers a statutory warranty fulfillment deed to said real estate, excepting any part thereof hereafter taken for public use, free of encumbrances except any that may attach after date of closing through any person other than the sellers, and subject to the standard policy exceptions.

Possession

11. Unless a different date is provided for herein, the purchasers shall be entitled to possession of said real estate on date of closing and to retain possession so long as purchasers are not in default hereunder. The purchasers covenant to keep any improvements on said real estate in good repair and not to permit waste and not to use, or permit the use of, the real estate for any illegal purpose. The purchasers covenant to pay all service, installation or construction charges for water, sewer, electricity, garbage or other utility services furnished to said real estate after the date purchasers are entitled to possession.

Assignment

12. The rights hereby granted are personal to the purchasers and sellers' reliance upon purchasers' ability and integrity is a part of the consideration for this contract. Neither this contract nor any interest therein, nor the possession of the property, may be assigned or transferred by purchasers, nor shall purchasers make or enter into any contract for the sale of the property or any interest therein, without the prior written consent of sellers.

Default

13. In case the purchasers fail to make any payment herein provided, the sellers may make such payment, and any amounts so paid by sellers, together with interest at the rate of 12% per annum thereon from date of payment until repaid, shall be repayable by purchasers on sellers' demand, all without prejudice to any other right the sellers might have by reason of such default.

14. Time and the covenants of purchasers are of the essence of this contract, and it is agreed that in case the purchasers shall fail to comply with or perform any condition or agreement hereof or to make any payment required hereunder promptly at the time and in the manner herein required, the sellers may at their option exercise any of the following alternative remedies upon giving purchasers thirty (30) days' written notice specifying the default and the remedy to be exercised should purchasers fail to secure all defaults at the expiration of the 30-day period:

a. Suit for delinquencies. Sellers may institute suit for any installments or other sums then due and payable under this agreement together with any sums advanced by sellers for and the amount of any delinquencies for items such as water assessments, taxes, insurance, payments and underlying obligations and lienable items, together with interest thereon at the rate of 12% per annum from the date each such payment was advanced or due, as the case may be.

b. Acceleration. Sellers may declare the entire unpaid balance of the purchase price to be immediately due and payable and institute suit to collect such amounts, together with any sums advanced by the sellers for and the amount of any delinquencies for items such as water assessments, taxes, insurance, payments on underlying obligations, lienable items and other expenses incurred to protect sellers' interest in the property, together with interest thereon at the rate of 12% per annum from the date of each such advance. Payment by purchasers of any judgment obtained by sellers pursuant to this paragraph shall be a condition precedent to the delivery of a deed to said property by sellers or by the escrow agent, if any.

c. Forfeiture. Sellers may elect to declare a forfeiture of and cancellation of this contract, and upon such election being made all rights of purchasers hereunder shall cease and terminate, and sellers shall be entitled to take possession of the property, and all payments made by purchasers hereunder shall be retained by sellers in liquidation of all damages sustained by said default. In addition, should sellers commence a quiet title action in connection with such forfeiture or defend any claim in opposition to such forfeiture, sellers shall be entitled to recover from purchasers all further costs and attorneys' fees incurred therein and in any appeal. At the end of said 30-day period, sellers may enter into the property and take possession thereof and purchasers shall immediately surrender possession. If a forfeiture is declared, all payments which, but for the forfeiture, would have become due during the specified 30-day period and all costs and expenses including but not limited to costs of title search and a reasonable

attorney's fee, incurred by sellers in connection with the default, must be paid in addition to the sums set forth in the notice of forfeiture as a condition to reinstatement of the contract. Should purchasers pay sellers an amount less than all sums required to reinstate the contract, sellers' acceptance of such sums shall not be deemed a waiver of any defaults or a reinstatement of the contract, and any such sums shall be retained by sellers as liquidated damages should purchasers remain in default in any respect on the expiration of the 30-day period.

d. Specific Performance. Sellers may institute suit to specifically enforce any of the purchasers' covenants hereunder.

15. The waiver of sellers to elect to pursue any of the above remedies at any time upon a breach of any of the terms of this contract by the purchasers shall be deemed only an indulgence by the sellers with regard to that particular breach and shall not be construed, in any manner whatsoever, to be a waiver of any right of sellers to pursue any of the above remedies for the same or a different breach at a subsequent time; election of the sellers to utilize any particular remedy to enforce a breach of this contract shall not preclude sellers from electing to use an alternate remedy to enforce a subsequent breach. Any delay or failure of sellers to take action upon default shall not be construed as a waiver of said default. If sellers are required to institute legal action to enforce any of the remedies indicated, purchasers agree to pay sellers' costs and reasonable attorneys' fees incurred in such proceeding and any appeal thereof.

Notice

16. Any notice, declaration, demand, consent or communication to be given by any party to this contract to any other party shall be in writing and transmitted to the other party by either personally delivering the notice or by certified or registered mail, return receipt requested, addressed as follows:

To Purchasers:

Chris and Debbie Lexow
M.P. 0.39R Maple Way Road
Stevenson, WA 98648

To Sellers:

Daniel L. and Judie A.
Lillegaard
P.O. Box 251
Stevenson, WA 98648

Either party may change its address by giving written notice to the other party in the manner provided above, provided that in no event shall sellers be required to send any notice to more than two (2) addressees. The mailing and registering or certifying of any such notice as herein provided shall be sufficient service thereof. Service shall be complete when such notice is registered or certified and placed in the United States mail as shown by the cancellation stamp or postage meter stamp, as the case may be.

Fees and Cost of Suit

17. Upon sellers' election to bring suit to enforce any covenant of this contract, including suit to collect any payment required hereunder, the purchasers agree to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, which sums shall be included in any judgment or decree entered in such suit.

If the sellers shall bring suit to procure an adjudication of the termination of the purchasers' rights hereunder, and judgment is so entered, the purchasers agree to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, and also the reasonable cost of searching records to determine the condition of title at the date such suit is commenced, which sums shall be included in any judgment or decree entered in such suit.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date first written above.

Sellers:

Daniel L. Lillegard
DANIEL L. LILLEGARD

Judie A. Lillegard
JUDIE A. LILLEGARD

STATE OF WASHINGTON)

) ss.

County of Skamania)

Purchasers:

Christopher A. Lexow
CHRIS LEXOW

Debbie Lexow
DEBBIE LEXOW

On this day personally appeared before me DANIEL L. LILLEGARD and JUDIE A. LILLEGARD, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 28th day of September, 1984.

Sharon J. Taylor
Notary Public in and for the
State of Washington, residing
at Stevenson.

WHEREBY CERTIFY THAT THE WITHIN

INSTRUMENT OF WRITING FILED BY

Daniel Lillegard

OF Skamania County

AT Stevenson 19

WAS RECORDED IN BOOK

10532 AT PAGE

RECORDS OF SKAMANIA COUNTY WITH

10532

BY Sharon J. Taylor

NOTARY PUBLIC

STATE OF WASHINGTON

MY COMMISSION EXPIRES

ON 10/25/85

10532

REAL ESTATE EXCISE TAX
OCT 25 1985

PAID 10532
Sharon J. Taylor
SKAMANIA COUNTY TREASURER