

BOOK 106 PAGE 64

JUL 17 9 07 AM '07

AUDITOR  
GARY H. OLSON

# REAL ESTATE CONTRACT

## I. SPECIFIC TERMS

**A. PARTIES, PROPERTY AND PURCHASE PRICE:**

Date: June 22, 1987

Seller: Robert L. Wilkie and Wreaha M. Wilkie,  
husband and wife

Seller's Address: .09R Stewart Road  
Stevenson WA 98648  
(509)427-8504

Purchaser: Randy Patton and Valerie Patton,  
husband and wife

Purchaser's Address: MP 0.14L Maple Way  
Stevenson WA 98648

Real Property Legal  
Description: See attached legal description.

Personal Property: None

Title to be Conveyed :  
Form of Deed: Statutory Warranty Deed

Title Exceptions:  
(include leases) None

Amount Which Has Been Paid to Seller: 11,455 \$ 11,000.00 U.S.

REAL ESTATE EXCISE TAX

17 1987

PAID 21460

RAMONA COUNTY TREASURER

Registered S  
Inventor in S  
S  
S  
S  
S

Transaction in compliance with County subdivision ordinance.  
Summit County Auditor - By: *DM*  
3-7-36-8-1300

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Attorney-at-Law  
P.O. Box 421  
(218 E. Steuben)  
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1 Balance Due:  
 2 Purchaser to  
 3 Pay to Seller: \$11,000.00 U.S.  
 4 Purchaser to Pay to  
 5 Holders of Prior  
 6 Encumbrances: \$ No prior encumbrances. U.S.  
 7 TOTAL PURCHASE PRICE: \$22,000.00 U.S.

8 B. TERMS OF DEFERRED AMOUNT  
 9 TO BE PAID TO SELLER:

10 Interest Rate: Eight (8%) percent per annum  
 11 Installment Periods: Monthly on the 15th day of ea. month.  
 12 First Installment Date: August 15, 1987  
 13 Installment Amounts: \$300.00 or more at purchaser's option  
 14 Final Payment Date: When fulfilled, 19  
 15 Default Rate: Eight (8%) percent per annum  
 16 Late Charge: Forfeiture  
 17 Prepayment Provisions: Prepayment allowed.  
 18 Prepayment Premium: None.  
 19 Address to which Installment  
 20 Amounts are to be Sent:

21 C. TERMS OF PRIOR ENCUMBRANCES

22 Prior Encumbrance: There are no prior encumbrances.

23 To be Paid By: ☐ Seller ☐ Purchaser  
 24 Current Holder:  
 25 Original Principal Amount: \$ U.S.  
 26 Interest Rate: percent per annum  
 27 Current Principal Balance: \$ U.S.  
 28 Payment Dates:  
 29 Amount of Each Payment: \$  
 30 Secured By:

Dated \_\_\_\_\_, 19\_\_\_\_  
 Recorded on \_\_\_\_\_, 19\_\_\_\_  
 Recording No. \_\_\_\_\_, 19\_\_\_\_

A parcel of land located in the Southeast Quarter of the Northwest Quarter of Section 36, Township 3 North, Range 7 East of the Willamette Meridian, more particularly described as follows:

Beginning at the Northwest corner of Section 36, Township 3 North, Range 7 East of the Willamette Meridian, thence East along the North line of said Section 36, 1,320 feet, more or less, to the Northwest 1/16 corner, thence South along said Northwest 1/16 line, 1,927.36 feet; thence South  $89^{\circ} 11' 01''$  East 320 feet; thence North  $89^{\circ} 11' 01''$  West 33 feet; thence North parallel to said 1/16 line 65 feet; thence at right angles South  $89^{\circ} 11' 01''$  East 200 feet, more or less, to the westerly line of a tract of land conveyed to Dean Evans and Betty Evans, husband and wife, by instrument dated October 24, 1969, and recorded October 24, 1969, under Skamania County Auditor's File No. 71534, in Book 61 of Deeds at page 299, records of Skamania County Auditor, Skamania County, Washington; thence South along the West line of said Evans Tract 63 feet to the Southwest corner of said Evans Tract; thence East along the South line of said Evans Tract 129 feet to the West right of way line of county road known and designated as Maple Way; thence South along said right of way line 120 feet, more or less, to a point 170 feet North of the centerline of the Pacific Northwest Gas line easement, to the true point of beginning. Thence West 165 feet, thence South at right angles 200 feet more or less to the centerline of said gas line easement; thence northeasterly along said centerline 170 feet more or less to the West right of way line of county road known and designated as Maple Way; thence northerly along the West right of way line of said county road 170 feet to the point of beginning, said tract also known as Lot 1 of Short Plat filed in Book 2 of Short Plats at page 1, under Auditor's File No. 84239, Records of Skamania County, Washington.

1  
2 Prior Encumbrance: Seller warrants that there are no prior  
3 encumbrances.

4 To be Paid By: ☐ Seller ☐ Purchaser  
5 Current Holder:  
6 Original Principal Amount: \$ \_\_\_\_\_ U.S.  
7 Interest Rate: \_\_\_\_\_ percent per annum  
8 Current Principal Balance: \$ \_\_\_\_\_  
9 Payment Dates: \_\_\_\_\_  
10 Amount of Each Payment: \$ \_\_\_\_\_  
11 Secured By: \_\_\_\_\_  
12 Dated \_\_\_\_\_, 19\_\_\_\_  
13 Recorded on \_\_\_\_\_, 19\_\_\_\_  
14 Recording No. \_\_\_\_\_

15 Prior Encumbrance:

16 To be Paid By: ☐ Seller ☐ Purchaser  
17 Current Holder:  
18 Original Principal Amount: \$ \_\_\_\_\_ U.S.  
19 Interest Rate: \_\_\_\_\_ percent per annum  
20 Current Principal Balance: \$ \_\_\_\_\_  
21 Payment Dates: \_\_\_\_\_  
22 Amount of Each Payment: \$ \_\_\_\_\_  
23 Secured By: \_\_\_\_\_  
24 Dated \_\_\_\_\_, 19\_\_\_\_  
25 Recorded on \_\_\_\_\_, 19\_\_\_\_  
26 Recording No. \_\_\_\_\_

27 D. MISCELLANEOUS:

28 Portion of Purchase Price  
29 Allocated to Real Property: \$22,000.00 U.S.

30 Portion of Purchase Price  
31 Allocated to Personal Property: \$ 00.00 U.S.

32 Is the Property used principally for agricultural or farming pur-  
33 poses? ☐ Yes ☒ No

34 Miscellaneous: \_\_\_\_\_ None.  
35 (Identify any Exhibits  
36 attached) \_\_\_\_\_  
37 \_\_\_\_\_

38 THE SELLER AND THE PURCHASER HEREBY AGREE TO THE TERMS  
39 HEREINABOVE SET FORTH AND THE COVENANTS AND CONDITIONS CONTAINED  
40 IN THE ATTACHED GENERAL TERMS, ALL OF WHICH ARE INCORPORATED BY  
41 THIS REFERENCE. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY  
42 BETWEEN THE SPECIFIC TERMS (INCLUDING ANY EXHIBITS ATTACHED) AND  
43 THE GENERAL TERMS, THE FORMER SHALL CONTROL.

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IN WITNESS WHEREOF, the Seller and the Purchaser have executed this agreement as of the date first above stated.

Wanda M. Wicks

Robert L. Wicks

by Wanda M. Wicks "Seller"

Randy Patton

Calvin Patton

"Purchaser"

STATE OF WASHINGTON )  
COUNTY OF Klickitat ) ss.

I certify that I know or have satisfactory evidence that Sellers signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: July 13, 1987

(Seal or stamp)

[Signature]  
(Signature of notary public)

Notary Public for Washington  
Title Residing at White Salmon

My appointment expires 04-23-88

STATE OF WASHINGTON )  
COUNTY OF Klickitat ) ss.

I certify that I know or have satisfactory evidence that Purchasers signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: July 13, 1987

(Seal or stamp)

[Signature]  
(Signature of notary public)

Notary Public for Washington  
Title Residing at White Salmon

My appointment expires 04-23-88

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## II. GENERAL TERMS

1. Agreement of Sale. The Seller agrees to sell and the Purchaser agrees to purchase all that certain real property and personal property (collectively the "Property") described in this contract, subject to the title exceptions listed in the specific terms hereof, to any of the prior encumbrances so listed which are not required to be discharged by the Seller prior to or at the time of the delivery of the Seller's deed to the Purchaser, and to any rights, titles, estates, leases, encumbrances and other interests suffered or created by the Purchaser, all for the considerations and subject to the terms, covenants and conditions herein contained.

2. Purchase Price. The Purchaser agrees to pay the purchase price to the order of the Seller in the manner set forth in the specific terms. The deferred portion of the purchase price which the Purchaser is to pay to the Seller shall be paid in the installment amounts, commencing on the first installment date and continuing on the same day of each installment period thereafter until the final payment date, at which time all outstanding principal, together with accrued and unpaid interest thereon, shall be due and payable. Each payment of the installment amounts shall be first applied against the costs and expenses for which the Purchaser is then liable hereunder, secondly against interest, and thirdly against the principal then due to the Seller. Interest shall continue to accrue until the Seller receives all of the principal, and any sums not paid within fifteen (15) days after their respective due dates shall bear the late charge set forth in the specific terms. At any time during the term of this contract, the Seller or the Purchaser shall have the right to require that all subsequent payments of installment amounts and sums for any tax or insurance reserve accounts be made through an escrow or collection account, the costs of which shall be borne by the requesting party unless otherwise agreed.

3. Prior Encumbrances. There are no prior encumbrances.

4. Prepayments. If prepayment is permitted by all prior encumbrances, or if the holders of all of the prior encumbrances consent thereto, the Purchaser may prepay the entire amount remaining due hereunder when that portion of the prepayment which is due to the Seller is accompanied by all interest then due to the Seller and any purchase price prepayment premium. If any prepayment to the holder of any prior encumbrance also requires a prepayment premium, the Purchaser shall pay the same. If any prior encumbrance does not permit prepayment and the holder thereof does not consent thereto, and if the Purchaser desires to prepay that portion of the purchase price which is not

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encompassed by the principal balance then due under said prior encumbrance, the Purchaser may prepay to the Seller the balance of that portion of the purchase price which is not then due to the holder of said prior encumbrance; provided, however, said partial prepayment need not be accepted by the Seller unless the Purchaser expressly assumes and agrees in writing to pay and perform the then remaining obligations secured by said prior encumbrance. If this contract is partially prepaid, the purchase price prepayment premium, if otherwise calculated on the entire purchase price, shall be reduced to correspond to the ratio of the amount being prepaid to the Seller to the total amount of the then outstanding principal balance of the purchase price. The Seller shall not be required to accept any prepayments which do not conform to the requirements of this paragraph unless and to the extent prepayment is otherwise provided for in the specific terms of this agreement. Except when otherwise stated herein, any prepayment premium provided for in this contract shall apply to any sums received by the Seller in advance of their due date, whether voluntarily made by the Purchaser or as a result of the exercise of any remedy by the Seller.

5. Retention of Title and Security. Except as otherwise provided herein, the Seller's title to the property and any substitutions hereof shall remain in the Seller until the Purchaser is entitled to receive delivery of the Seller's deed. In addition thereto, the Purchaser hereby grants to the Seller a security interest in all condemnation awards and insurance proceeds relating to the property and which hereafter become payable and all of the rights, titles and interests in the Personal Property conveyed by this contract and subsequently acquired by Purchaser in substitution thereof as security for the performance of the Purchaser's obligations herein, and the Purchaser hereby assigns to the Seller all rents and security deposits derived from or relating to the property and, except for the initial partial month's and the last month's rent, covenants not to collect any rents which are attributable to more than one month of the unexpired lease term. The Purchaser agrees to deliver to the Seller such further assurances and UCC financing statements and statements of continuation which the Seller requests to further evidence, perfect or confirm its rights under this agreement. The Purchaser agrees with the Seller that it shall comply with the terms of all leases of the property, and shall, upon written request, promptly notify the Seller of any alleged defaults therein by the Purchaser or any tenant. After all sums evidenced by this contract due to the Seller have been fully paid, the Seller shall deliver its fulfillment deed and bill of sale to the Purchaser in the form and subject to the title exceptions referred to in the specific terms hereof and any prior encumbrances for which the Purchaser is then responsible. In the event any escrow account is established for this contract, said deed and bill of sale shall be executed and placed with the escrow agent promptly following the opening of said account with instructions to deliver them to the Purchaser when entitled thereto.

6. Possession. Purchasers are entitled to possession at closing.

7. Taxes and Assessments. In addition to the payments hereinabove provided for, and except as otherwise discharged through any reserve account, the Purchaser shall pay before delinquency all real and personal property taxes, all general and

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special assessments and all other charges of whatsoever kind or nature levied or assessed by any lawful authority upon or against the property or the use thereof to the extent the same or any installments thereof are attributable to the period following the date of this contract. The prorated portion of said taxes, assessments and charges which are attributable to any period prior to the date of this contract, excluding taxes for such period assessed because of the reclassification of the use of the property, shall be paid before delinquency by the Seller. Said periods shall be determined by reference to the year in which the taxes, assessments and charges are required to be paid. If the Purchaser fails to so pay real property taxes or assessments and such failure is not rectified within fifteen (15) days following Seller's written demand to do so, and if such failure occurs two (2) or more times during the term of this contract, the Seller may, for the remaining term of this contract, require the Purchaser to deposit with each installment amount an amount reasonably estimated by the Seller to be necessary to discharge the real property taxes and assessments next due, said estimates to be adjusted by the Seller to reflect the actual amount of such liabilities each time the real property is reassessed and a copy of such reassessment is given to the Seller. The amounts so paid which have not been applied against such liabilities shall be returned to the Purchaser with the delivery of the Seller's deed to the Purchaser. The Seller shall not be liable for interest on said deposits. If not retained in an escrow or collection account, said funds shall be maintained by the Seller in a segregated account and expended for no other purpose, with interest earned thereon, if any, being added to the sums so held; provided, however, this account may be comingled with any insurance reserve account under this contract. The provisions of this paragraph to the contrary notwithstanding, either party shall have the right to contest in good faith any tax or assessment which may have been or is hereafter levied against the property or any portion thereof so long as no portion of the property is threatened with any tax forfeiture or sale as the result of such contest. So long as such contest is pursued in good faith, the nonpayment of the amounts in dispute shall not constitute a default under this contract or afford the Seller the right to require tax reserve payments.

8. Indemnification and Insurance. The Purchaser shall and hereby covenants and agrees to indemnify and hold the Seller harmless for any losses, damages, costs, claims and liabilities, including attorneys' fees, caused by any negligent, reckless or intentional act of or negligent or reckless failure to act by the Purchaser or any of its agents, servants, employees, independent contractors, invitees or licensees on, about or with respect to the property, and for any breach of this contract by the Purchaser or any of such persons, and this covenant of indemnification shall survive the delivery of the Seller's deed to the Purchaser.

The Purchaser shall, at its own cost and expense, keep the property insured against loss or damage by fire, windstorm, and all other casualties covered by "all risk" endorsements available in the State of Washington and with such additional coverages or endorsements as the Seller may reasonably require from time to time. Said insurance shall be in an amount not less than the greater of (a) the amount of coverage necessary to avoid the insured being treated as a co-insurer, or (b) one hundred twenty percent (120%) of the then unpaid principal balance of the

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1 purchase price for the property, or (c) such higher amount as may  
 2 be required by the terms of any prior encumbrance, and shall be  
 3 placed with an insurance company authorized to do business in the  
 4 State of Washington. All insurance policies shall expressly  
 5 include the Seller as a named insured, shall contain a waiver of  
 6 subrogation clause (to the extent reasonably obtainable), and  
 7 shall include provisions to the effect that they cannot be  
 8 materially modified or cancelled prior to Seller receiving not  
 9 less than twenty (20) days' advance written notice, and accurate  
 10 and complete copies thereof shall be deposited with the Seller  
 11 upon written request.

12 In the event of loss or damage to the property which is  
 13 required to be insured hereunder, and except as otherwise  
 14 required by any prior encumbrance and the then holder thereof,  
 15 the insurance proceeds shall, at the option of the purchaser, be  
 16 used to repair, rebuild, or replace all improvements and personal  
 17 property which may have been destroyed or damaged to the extent  
 18 necessary to restore and replace them to substantially the same  
 19 condition which existed immediately prior to the casualty,  
 20 subject to such modifications as may then be required by law or  
 21 to which the Seller agrees in writing. Immediately upon receipt,  
 22 all insurance proceeds, together with any other sums required to  
 23 complete the repairs and restorations, shall be placed in a  
 24 construction disbursement account with an escrow agent or other  
 25 person jointly designated by the Seller and the Purchaser and  
 26 shall be disbursed periodically in amounts corresponding to the  
 27 percentage of completion of repairs; provided, however, in the  
 28 event this contract is forfeited, any portion of such proceeds  
 remaining after the payment of properly incurred repair and  
 replacement costs due as of the date of such forfeiture shall be  
 immediately paid to the Seller. No construction may be commenced  
 until all sums required to pay the costs thereof have been  
 deposited in the disbursement account. The expenses of said  
 disbursement account and in obtaining percentage completion  
 certificates shall be paid by the Purchaser, and the Purchaser  
 shall be responsible for depositing in the disbursement account  
 the amounts necessary to pay all costs of repairs, reconstruction  
 and replacements which are not covered by the insurance  
 proceeds. In the event the Purchaser desires to construct  
 improvements which are materially different from those so damaged  
 or destroyed, it shall first obtain the Seller's written  
 consent. All repairs and replacements shall be commenced within  
 sixty (60) days following the date the Purchaser elects to  
 reconstruct and shall be continuously pursued with due  
 diligence. Subject to the terms of any prior encumbrances, any  
 casualty insurance proceeds which are not used to pay for repairs  
 or replacements permitted by the terms of this paragraph shall be  
 paid to the Seller and applied against the principal balance last  
 due hereunder, and the Seller shall accept the same  
 notwithstanding any prepayment restriction to this contract. The  
 prepayment premium shall not be added to any payments required by  
 this paragraph.

25 If (i) the Purchaser does not elect to repair the damage, or  
 26 (ii) the Seller's consent to different improvements is not waived  
 27 or given, or (iii) the Purchaser does not deposit into the  
 28 disbursement account all sums in excess of available insurance  
 proceeds required for reconstruction by the date construction is  
 required to commence, or (iv) construction is not commenced when  
 required or not continuously pursued (subject to delays beyond  
 the reasonable control of the Purchaser), the Seller may require

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1 that all casualty insurance proceeds be immediately paid to the  
 2 Seller or to the holder of a prior encumbrance having a valid  
 3 claim thereto which is prior to the Seller's. The Purchaser  
 4 shall make the elections provided for in this paragraph within  
 5 sixty (60) days following the date of the casualty, and the  
 6 Seller shall respond in writing to a written request to construct  
 7 materially different improvements within twenty (20) days after  
 8 said request. Any failure of the Purchaser to timely make any  
 9 such election shall enable the Seller to apply the insurance  
 10 proceeds against the principal last due under this contract, and  
 11 any failure of the Seller to timely respond to any such request  
 12 shall be deemed an approval thereof.

13 Damage to or destruction of the property or any portion  
 14 thereof shall not constitute a failure of consideration or  
 15 provide a basis for the rescission of this contract, nor shall  
 16 such circumstances relieve the Purchaser of its obligation to pay  
 17 the remaining installment amounts when due. In the event of any  
 18 failure of the Purchaser to obtain or timely pay any premiums for  
 19 any insurance required by this paragraph, and if such failure is  
 20 not rectified within any required notice period for remedial  
 21 advances under this contract, the Seller may require the  
 22 Purchaser to deposit with each installment amount an amount  
 23 reasonably estimated by the Seller to be necessary to discharge  
 24 the next ensuing premiums for said policies, said estimates to be  
 25 adjusted by the Seller upon receipt of the premium invoices to  
 26 reflect the actual amount of such liabilities. The payments so  
 27 made which have not been applied against such liabilities shall  
 28 be returned to the Purchaser with the delivery of the Seller's  
 deed to the Purchaser. The Seller shall not be liable for  
 interest on said deposits. If not retained in an escrow or  
 collection account, said funds shall be maintained by the Seller  
 in a segregated account and expended for no other purpose, with  
 interest thereon, if any, being added to the sums so held;  
 provided, however, this account may be comingled with any tax  
 reserve account under this contract.

9. Utilities. The Purchaser shall pay for the cost of all  
 electric, power, gas, sewer, water, telephone, cable television,  
 refuse disposal service, and any and all other utilities  
 furnished to or used or consumed in, on, or about the property by  
 the Purchaser or by any person following the date of this  
 contract, and Purchaser shall contract for the same solely in its  
 own name. Any such services used prior to the date hereof by any  
 person other than the Purchaser shall be the responsibility of  
 the Seller.

10. Condition of Property. "As Is" and "Where Is".

11. Risk of Loss. The Purchaser shall bear the risk of  
 loss for the complete or partial destruction or condemnation of  
 the property after the date of this contract, but any loss,  
 damage or destruction of all or part of the property shall not  
 relieve the Purchaser from its obligation to observe and perform  
 all of the terms, covenants and conditions of this contract.  
 Each of the parties hereto releases the other from all liability  
 for damage caused by any act or neglect of the other party, its  
 agents, servants and employees, to any property which is the  
 result of fire or other casualty covered by insurance carried at  
 the time of such casualty; provided, however, the releases herein  
 contained shall not apply to loss or damage resulting from the  
 willful or premeditated acts of either of the parties hereto,

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their agents, servants or employees; and provided further, nothing in this paragraph shall be interpreted or have the effect of relieving or modifying any obligation of any insurance company, and to the extent any such obligation is so relieved or impaired this provision shall be ineffective.

12. Maintenance and Inspection. The Purchaser shall keep and maintain the property in good repair, and shall not commit or suffer to be committed any waste or other willful damage to or destruction of the property or any portion thereof. The Seller shall have the right, at all reasonable times and hours, to inspect the property to ascertain whether the Purchaser is complying with all of the terms, covenants and conditions of this contract.

13. Alterations and Liens. Except as otherwise permitted in this contract for construction following an insured casualty or condemnation, or except for any maintenance or repairs required by this contract, the Purchaser shall not, without the prior written consent of the Seller, make or permit any alterations, additions, or improvements to or of the property or to any portion thereof nor permit any demolition or removal of any such improvements. The Seller may not unreasonably withhold its consent if the action proposed will not materially affect the value of the property or violate any applicable laws or ordinances or the terms of this contract or of any prior encumbrances. The Purchaser shall not cause, authorize or permit any mechanics' or materialmen's liens to be placed upon the property. The Purchaser shall indemnify and defend the Seller against all liens levied against the property or any part thereof caused by or through the Purchaser. The Purchaser shall have the right to contest said liens so long as a foreclosure thereof is prevented, and if such contest is pursued in good faith the filing of the lien and withholding payment of the lien amount so disputed shall not constitute a default under this contract. No lien or any agent, contractor, subcontractor, or independent contractor of the Purchaser shall encumber any interest of the Seller in the property. In the event the Purchaser shall alter, repair or improve the real property or erect or construct any new or additional buildings or improvements on the real property or any part thereof (whether acting with or without Seller's consent), all such alterations, repairs, improvements, replacements and additions, including any new buildings and improvements, shall immediately be and become the property of the Seller and subject to all of the terms, covenants and conditions of this contract.

14. Compliance with Laws and Restrictions. The Purchaser shall faithfully observe, perform and comply with all laws, ordinances, rules and regulations of every governmental authority affecting the property; all easements, reservations, restrictions, covenants and conditions of record affecting or pertaining to the property; and any condominium, planned unit development, or cooperative declarations, articles, bylaws, rules, regulations or other documents which have been or are hereafter adopted with respect to the property. The Purchaser shall not use or permit any person to use the property for or in connection with any unlawful purpose or in any manner which causes a nuisance.

15. Agricultural Provisions. There are no agricultural provisions.

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16. Condemnation. If the property or any part thereof is condemned or taken by power of eminent domain by any public or quasi-public authority, the Seller or the Purchaser or both may appear and defend or prosecute in any such proceeding. All compensation or awards received from the condemning authority by either the Seller or the Purchaser shall, subject to the requirements of any prior encumbrances, be applied first to the payment of the expenses of litigation, next to the acquisition and installation costs of any replacements or restorations of condemned property requested by the Purchaser in writing not later than fifteen (15) days following the date possession is required to be surrendered by the condemning authority, next to the reduction of the unpaid balance of this contract in the inverse order of its maturity, next to any other sums then due to the Seller (including accrued and unpaid interest and reimbursable advances and expenses), and the surplus, if any, shall be paid to the Purchaser. The prepayment premium shall not be added to any payments required by this paragraph. All of the replacements and restorations shall have the same purpose and function as the condemned property, and, except as otherwise consented to by the Seller in writing and except to the extent necessitated by the condemnation or then applicable law, none of the replacements or restorations may be materially different from the condemned property. Any condemnation awards used to restore or replace any of the property shall be deposited in a disbursement account and disbursed in the manner specified herein for insurance proceeds following an insured casualty. No total or partial taking of the property by condemnation shall constitute a failure of consideration or provide a basis for the rescission of this contract.

17. Transfer of Purchaser's Interest. If the Purchaser's title to the property or any portion thereof is conveyed to any person, the Seller may, at its option: (a) following any required notice, declare the entire remaining balance of the purchase price and all accrued and unpaid interest thereon immediately due and payable, or (b) adjust the interest rate on this contract, effective as of the date of the transfer. The Seller may elect one of said options by written notice to the Purchaser within fifteen (15) days after being advised in writing of the sale and the transferee, and if such election is not made within that period the above rights for the transaction so described shall be deemed waived. If the Seller elects to adjust the interest rate, and subject to any restrictions and prepayment requirements contained in any prior encumbrance, the entire outstanding balance of this contract may be prepaid at the closing of such conveyance with the prepayment premium. For the purposes of this contract, a "conveyance" of the "Purchaser's title" shall include a transfer by real estate contract, vendee's assignment, deed, forfeiture, foreclosure, sheriff's sale, trustee's sale, deed in lieu of any such involuntary sale, lease with purchase option or for a term in excess of three (3) years (including extension options), and, if the Purchaser is a corporation or partnership, a voluntary or involuntary transfer of any share or partnership interest which results in a change of fifty percent (50%) or more of the voting control of such entity (from the composition thereof as of the date of this contract). A "conveyance" of the "Purchaser's title" shall not include (i) a lease or other transfer of possession of the property for three (3) years or less without options to purchase the property or any interest

therein; (ii) a transfer to the purchaser's spouse or children; (iii) a transfer by devise, descent, or operation of law resulting from the death of any person comprising the Purchaser; (iv) a transfer into an inter vivos trust in which the Purchaser is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the property; or (v) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or property settlement agreement in which a spouse of any person comprising the Purchaser retains or acquires the property. No transfer of the property or any portion thereof shall release the transferring person from liability on this contract unless such release is expressly acknowledged by the Seller in writing.

18. Purchaser's Default. The Purchaser shall be in default under this contract if it (a) fails to observe or perform any term, covenant or condition herein set forth or those of any prior encumbrances, or (b) fails or neglects to make any payment of principal or interest or any other amount required to be discharged by the Purchaser precisely when obligated to do so, or (c) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any petition is filed against it under any bankruptcy, wage earner's, reorganization or similar act, or (d) permits the property or any part thereof or its interest therein to be attached or in any manner restrained or impounded by process of any court, or (e) abandons the property for more than thirty (30) consecutive days (unless the property is otherwise occupied), or (f) conveys the property or a portion thereof without any prior written consent required herein of the Seller.

19. Seller's Remedies. In the event the Purchaser is in default under this contract the Seller may, at its election, take the following courses of action:

(a) Suit for Delinquencies. The Seller may institute suit for any installment amounts or other sums due and payable under this contract as of the date of the judgment and any sums which have been advanced by Seller as of said date pursuant to the provisions of this contract, together with interest on all of said amounts at the default rate from the date each such amount was advanced or due, as the case may be, to and including the date of collection;

(b) Acceleration. Upon giving the Purchaser not less than fifteen (15) days' written notice of its intent to do so (within which time any monetary default may be cured without regard to the acceleration), and if the default is in the nature of a failure to timely pay any principal, interest, insurance premium, tax, or other sum of money required to be paid herein or any failure to obtain any consent of the Seller herein required for a conveyance of the Purchaser's title to the property, or if the Purchaser commits waste on the property, the Seller may declare the entire unpaid balance of the purchase price and all interest then due thereon and the prepayment premium to be immediately due and payable and institute suit to collect such amounts together with any sums advanced by the Seller pursuant to the provisions of this contract, and together with interest on all of said sums at the default rate from the due date or date of each such advance to and including the date of collection;

(c) Forfeiture and Repossession. The Seller may



cancel and render void all rights, titles and interests of the Purchaser and its successors in this contract and in the property (including all of Purchaser's then existing rights, interests and estates therein and timber, crops and improvements thereon) by giving a Notice of Intent to Forfeit pursuant to RCW 61.30.040-070, and said cancellation and forfeiture shall become effective if the default therein specified has not been fully cured within ninety (90) days thereafter and the Seller records a Declaration of Forfeiture pursuant to RCW 61.30.040-070. Upon the forfeiture of this contract the Seller may retain all payments made hereunder by the Purchaser and may take possession of the property ten (10) days following the date this contract is forfeited and summarily eject the Purchaser and any person or persons having possession of the said property by, through or under the Purchaser who were properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture. In the event the Purchaser or any person or persons claiming by, through or under the Purchaser who were properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture remain in possession of the property more than ten (10) days after such forfeiture, the Purchaser, or such person or persons, shall be deemed tenants at will of the Seller and the Seller shall be entitled to institute an action for summary possession of the property, and may recover from the Purchaser or such person or persons in any such proceedings the fair rental value of the property for the use thereof from and after the date of forfeiture, plus costs, including the Seller's reasonable attorneys' fees;

(d) Specific Performance. The Seller may institute suit to specifically enforce any of the Purchaser's covenants hereunder, and the same may include redress by mandatory or prohibitive injunction;

(e) Receivership. The parties hereto recognize and agree that in the event of default by the Purchaser in making any payments or in the performance of any of the other terms and conditions of this contract, the period of time involved in repossessing the property, forfeiting this contract, or in obtaining possession of the property by judicial process could cause irreparable damage to the Seller and to the property or the possible acceleration of the debts secured by the prior encumbrances. Therefore, the Purchaser hereby expressly agrees that in the event of any default under this contract which is not cured the Seller shall have the right to apply to the Superior Court of the county in which the real property is situated for the appointment of a receiver under Chapter 7.60 of the Revised Code of Washington (or any chapter supplemental thereto) to take charge of and maintain control of, manage, farm, or operate the property, to evict tenants therefrom who are not then in compliance with their leases, to lease any portion or all of the property in the name of the Purchaser on such terms as the receiver may deem advisable, to make such alterations, repairs and improvements to the property as the receiver may deem advisable, and to receive all rents and income therefrom and issue receipts therefor, and out of the amounts that are so received to pay all of the debts and obligations for which the Purchaser is liable hereunder prior to or during the period of the receivership, including, without limitation, payments on or for this contract, prior encumbrances, taxes, assessments, insurance premiums, utility bills and costs of operating, maintaining, repairing and managing the property. Any sums received by the receiver in excess of said amounts shall be

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retained by the receiver to discharge all remaining liabilities of the Purchaser under this contract until the entirety of such obligations have been satisfied, at which point any remaining excess shall be paid to the Purchaser without interest; and

1 (f) Property Rental. In the event this contract is  
2 forfeited as herein provided, or in any other manner permitted by  
3 law, or by mutual agreement of the Purchaser and the Seller, and  
4 the Purchaser shall thereafter remain in possession of the  
5 property beyond any period otherwise permitted by law, the  
6 Purchaser agrees that it will occupy the property as a tenant at  
7 will, and the Purchaser shall be obligated to pay, and hereby  
8 promises to pay, during the period of such tenancy at will, a  
9 fair market rental in the amount then agreed to by the parties  
10 or, in the absence of such agreement or until such agreement is  
11 reached, an amount equal to two (2) times the installment amount  
12 as and when provided for in the specific terms hereof, and the  
13 Seller shall have, in addition to all other remedies for the  
14 collection of rentals and the recovery of possession that are  
15 available to landlords under the laws of the State of Washington,  
16 the right to institute and maintain an action for summary  
17 possession of the property as provided by law.

18 20. Purchaser's Remedies. In the event the Seller should  
19 default in any of its obligations under this contract and such  
20 default continues for fifteen (15) days after the Purchaser gives  
21 the Seller written notice specifying the nature thereof and the  
22 acts required to cure the same, the Purchaser shall have the  
23 right to specifically enforce this contract, institute suit for  
24 its damages caused by such default, or pursue any other remedy  
25 which may be available to the Purchaser at law or in equity.

26 21. Remedial Advances. If either party to this contract  
27 shall fail to timely pay and discharge any payments or sums for  
28 which it has agreed to be responsible herein and said failure  
constitutes a default under this contract, or shall by any other  
act or neglect violate the terms and any conditions of this  
contract or of any prior encumbrance, the other party hereto may  
pay, effect or discharge such sums as are necessary to cure such  
default. Upon affording the party required to make such payment  
not less than fifteen (15) days' prior written notice (except in  
any instance in which the Purchaser fails to obtain or maintain  
any insurance required herein or when immediate payment is  
required to avoid immediate hazards to persons or property or any  
foreclosure of or a similar action against or affecting any  
portion of the property, in which cases such notice may be given  
concurrently with or immediately following such payment). The  
party making such payment may recover from the defaulting party,  
upon demand, or through offsetting the same against existing or  
future debts, the full cost and expense of so doing, including  
its reasonable attorneys' fees and together with interest on said  
expenditures and fees at the default rate from the date of  
expenditure to and including the date of collection or the due  
date of any sum against which such offset is effected.

22. Cumulative Remedies; Waivers. The remedies stated  
herein are cumulative and not mutually exclusive and the Seller  
or the Purchaser may pursue any other or further remedies to  
enforce their respective rights under this contract; provided,  
however, except as provided in this contract with respect to the  
Purchaser's transfer of the property, the Seller shall not have  
the right to accelerate the remaining balance of the purchase

price in the event the Seller elects to forfeit the Purchaser's interest in the property and such forfeiture is being enforced or is completed. In any action or proceeding to recover any sum or to enforce any remedy provided for herein, no defense of adequacy of security or that resort must first be taken against any particular security or any other person shall be asserted, and the Purchaser hereby expressly waives any legal or equitable rights that the Purchaser may have with respect to marshaling of assets. The Seller shall not be required to tender its deed or bill of sale as a condition precedent to the enforcement of any remedy hereunder. In the event any check is tendered which is not honored upon first presentation because of any stop payment directive or insufficient funds, the payee's rights shall be reinstated as if such check had not been delivered. No waiver of any rights of either party under this contract shall be effective unless specifically evidenced in a written agreement executed by the waiving party. Any forbearance, including, without limitation, a party's acceptance of any payment after the due date or any extension thereof, shall not be considered a waiver of such party's right to pursue any remedy hereunder for subsequent defaults of the same or a different nature or for breach of any other term, covenant or condition hereof.

23. Costs and Attorneys' Fees. If either party shall be in default under this contract, the nondefaulting party shall have the right, at the defaulting party's expense, to retain an attorney or collection agency to make any demand, enforce any remedy, or otherwise protect or enforce its rights under this contract. The defaulting party hereby promises to pay all costs and expenses so incurred by the nondefaulting party, including, without limitation, arbitration and court costs, collection agency charges, notice expenses, title search expenses, and reasonable attorneys' fees (with or without arbitration or litigation), and the failure of the defaulting party to promptly pay the same shall in itself constitute a further and additional default. In the event either party hereto institutes any action (including arbitration) to enforce the provisions of this contract, the prevailing party in such action shall be entitled to reimbursement by the losing party for its court costs and reasonable attorneys' fees, including such costs and fees that are incurred on appeal. All reimbursements required by this paragraph shall be due and payable on demand, may be offset against any sum owed to the party so liable in order of maturity, and shall bear interest at the default rate from the date of demand to and including the date of collection or the due date of any sum against which the same is offset.

24. Notices. Any notices required or permitted by law or under this contract shall be in writing and shall be sent by first class certified or registered mail, return receipt requested, with postage prepaid, to the parties' addresses set forth in the specific terms of this contract. Either party may change such address for notice and, if payments are not made to an escrow or collection account, the Seller may change the address for payments, by designating the same to the other party hereto in the manner hereinabove set forth and by causing a copy of such change to be properly recorded. All notices which are so addressed and paid for shall be deemed effective two (2) business days following the deposit thereof in the U.S. mail, irrespective of actual receipt of such notice by the addressee.

25. Time of Performance. Time is specifically declared to



be of the essence of this contract and of all acts required to be done and performed by the parties hereto, including, but not limited to, the proper tender of each of the sums required by the terms hereof to be paid.

1       26. Paragraph Headings. The underscored word or words  
2       appearing at the commencement of paragraphs and subparagraphs of  
3       this contract are included only as a guide to the contents  
4       thereof and are not to be considered as controlling, enlarging or  
5       restricting the language or meaning of those paragraphs or  
6       subparagraphs.

7       27. Gender and Number. The use of any gender or neutral  
8       term shall include all genders, and the use of any number shall  
9       be construed as singular or plural, as the case may require. The  
10      terms "Purchaser" and "Seller" refer to either the singular or  
11      the plural, as the case may be.

12      28. Definitions. As used herein the term "property" means  
13      all of the estate, right, title and interest currently held and  
14      hereafter acquired by the Seller in and to the real property and  
15      personal property described herein and the rights, easements,  
16      privileges and appurtenances thereunto belonging or appertaining  
17      or held and enjoyed therewith, together with all timber and crops  
18      thereon and any repairs, improvements, replacements and additions  
19      thereto whether made, erected or constructed by the Seller or the  
20      Purchaser prior or subsequent to the date hereof. All  
21      capitalized terms in this contract shall have the meanings  
22      ascribed herein or set forth opposite the same in the specific  
23      terms of this contract. References to the Seller's deed or  
24      fulfillment deed herein shall include assignments of a vendee's  
25      interest under a prior real estate contract; provided, however,  
26      any form of conveyance shall contain the warranties to which the  
27      Purchaser is entitled under this contract or other agreement with  
28      the Seller.

29. Invalidity. In the event any portion of this contract  
should be held to be invalid by any court of competent  
jurisdiction, such holding shall not affect the remaining  
provisions hereof. The intention of the Seller is to charge the  
Purchaser a lawful rate of interest, and in the event it is  
determined by any court of competent jurisdiction that any rate  
herein provided for exceeds the maximum permitted by law for a  
transaction of the character evidenced by these presents, the  
amount so determined to be above the legal rate shall be applied  
against the last installments of principal due hereunder or, if  
such principal has been paid, or otherwise at the discretion of  
the then holder of this contract, said excess shall be refunded  
to the Purchaser on demand without interest, and the interest  
rates specified hereunder shall be reduced to the maximum rate  
then permitted by law for the type of transaction to which this  
contract pertains. The intention of the parties hereto is to  
assess a legal rate of interest on default, and if the default  
rate is determined by any court of competent jurisdiction to  
exceed the maximum rate of interest permitted by law for such  
purposes, the default rate shall be reduced to the highest rate  
so permitted, with any excess theretofore paid being applied  
against any debt of the defaulting party in inverse order of  
maturity, or if in excess of such debt, being refunded upon  
demand without interest.

30. Legal Relationships. The parties to this contract

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execute the same solely as a seller and a buyer. No partnership, joint venture or joint undertaking shall be construed from these presents, and except as herein specifically provided, neither party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. All terms, covenants and conditions to be observed and performed by either of the parties hereto shall be joint and several if entered into by more than one person on behalf of such party, and a default by any one or more of such persons shall be deemed a default on the part of the party with whom said person or persons are identified. No third person executing this contract hereby pledges his or her separate property and marital communities in satisfaction hereof.

31. Successors. Subject to the restrictions contained herein, the rights and obligations of the Seller and the Purchaser shall inure to the benefit of and be binding upon their respective estates, heirs, executors, administrators, successors, successors in trust and assigns; provided, however, no person to whom this contract is pledged or assigned for security purposes by either party hereto shall, in the absence of an express, written assumption by such party, be liable for the performance of any covenant herein. Any assignee of any interest in this contract, or any holder of any interest in the property, shall have the right to cure any default in the manner permitted and between the time periods required of the defaulting party, but except as otherwise required by law, no notices in addition to those provided for in this contract need be given.

32. Applicable Law. This contract shall be governed and interpreted in accordance with the laws of the State of Washington and the venue of any action brought to interpret or enforce any provision of this contract shall be laid in the county in which the real property is situated. All sums herein referred to shall be calculated by and payable in the lawful currency of the United States.

33. Entire Agreement. This contract contains the entire agreement of the parties hereto and, except for any agreements or warranties otherwise stated in writing to survive the execution and delivery of this contract, supersedes all of their previous understandings and agreements, written and oral, with respect to this transaction. Neither the Seller nor the Purchaser shall be liable to the other for any representations made by any person concerning the property or regarding the terms of this contract, except to the extent that the same are expressed in this instrument. This contract may be amended only by written instrument executed by the Purchaser and the Seller subsequent to the date hereof.

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