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BOOK 110 PAGE 211

WHEN RECORDED RETURN TO
L. EUGENE HANSON
ATTORNEY AT LAW
P. O. BOX 417
WHITE SALMON WA 98672

FILED FOR RECORD
SKAMANIA CO. WASH
BY L. EUGENE HANSON

JUN 19 2 35 PM '88

AUDITOR

REAL ESTATE CONTRACT
(Residential Short Form)

GARY M. OLSON

1. PARTIES AND DATE: This contract is entered into this 29th day of June, 1988, between BROUGHTON LUMBER COMPANY, a Washington corporation, M.P.61.43, State Highway 14, Underwood, WA 98651, as "Seller" and STEPHEN NELLIS, a single person, and JANIS K. BROWN, a single person, as Joint Tenants, with rights of survivorship and not as tenants in common, Star Route, Cook, WA 98605, as "Buyer."

2. SALE AND LEGAL DESCRIPTION. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller the following described real estate in Skamania County, State of Washington:

Lot 9 of the PLAT OF WILLARD, within part of Government Lot 1 of Section 2, Township 3 North, Range 9 East, W. M., in the County of Skamania, State of Washington, as recorded in Book B, of Plats, at Pages 62-63;

SUBJECT TO covenant for timber management purposes of adjacent Broughton Lumber Company lands;

ALSO SUBJECT TO Broughton Lumber Company right of access to Log Deck Private Road;

ALSO SUBJECT TO Willard Homeowner's Agreement, Road Maintenance Agreement and Water System Agreement as recorded in Book 109 of Deeds, at Pages 906-916;

ALSO SUBJECT TO and TOGETHER WITH easements for telephone, electric utility and water lines as shown on said Plat or now existing.

ALSO SUBJECT TO protective area for domestic well as shown on said PLAT;

3. (a) PRICE. Buyer agrees to Pay:

\$15,360.00 - Total Price
Less \$ 1,536.00 - Down Payment and Earnest Money.
Results in \$13,824.00 Amount Financed by Seller.

(b) PAYMENT OF AMOUNT FINANCED BY SELLER.

Buyer agrees to pay the sum of \$13,824.00 as follows:
\$182.69 or more at Buyer's option on or before the 29th day of July, 1988, including interest from 29th day of June, 1988, at the rate of 10% per annum on the declining balance thereof; and a like amount or more on or before the 29th day of each and every month thereafter until paid in full.

NOTWITHSTANDING THE ABOVE, THE ENTIRE BALANCE OF PRINCIPAL AND INTEREST IS DUE IN FULL NOT LATER THAN June 29, 1998.

Payments are applied first to interest accrued to date of payment and then to principal. Payments shall be made to Seller: M.P.61.43, State Highway 14, Underwood, WA 98651, or such other place as the Seller may hereafter indicate in writing.

4. OTHER ENCUMBRANCES AGAINST THE PROPERTY. The property is subject to encumbrances including the following listed tenancies, easements, restrictions and reservations in addition to the obligations assumed by Buyer and the obligations being paid by Seller: Willard Subdivision Covenants, Homeowner Association Requirements, private streets and water system, utilities easements. Seller is not providing Title Insurance for this sale, but will warrant and defend good title free from any undisclosed clouds thereon existing at closing, or attaching later as a result of actions by Seller

5. FULFILLMENT DEED. Upon payment of all amounts due Seller, Seller agrees to deliver to Buyer a Statutory Warranty Deed in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrances assumed by Buyer or to defects in title arising subsequent to the date of this Contract by, through or under persons other than the Seller herein. Any personal property included in the sale shall be included in the fulfillment deed.

Glenda J. Kimmel, Skamania County Assessor
By: dc Parcel # 3-2-1-1-900
(3-2-1-1-900)

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6. LATE CHARGES. If any payment on the purchase price is not made within ten (10) days after the date it is due, Buyer agrees to pay a late charge equal to five (5%) per cent of the amount of such payment. Such late payment charge shall be in addition to all other remedies available to Seller and the first amounts received from Buyer after such late charges are due shall be applied to the late charges. This paragraph shall not be construed as a waiver of Seller's right to avail itself of any default remedy provided in paragraph 15.

7. POSSESSION. Buyer is entitled to possession of the property from and after the date of this Contract, or June 29, 1988, whichever is later, subject to any tenancies described in paragraph 4.

8. TAXES, ASSESSMENTS AND UTILITY LIENS. Buyer agrees to pay by the date due all taxes and assessments becoming a lien against the property after the date of this Contract. Buyer may in good faith contest any such taxes or assessments so long as no forfeiture or sale of the property is threatened as the result of such contest. Buyer agrees to pay when due any utility charges which may become liens superior to seller's interest under this Contract. If real estate taxes and penalties are assessed against the property subsequent to date of this Contract because of a change in use prior to the date of this Contract for Open Space, Farm, Agricultural or Timber classifications approved by the County or because of Senior Citizen's Declaration to Defer Property Taxes filed prior to the date of this Contract, Buyer may demand in writing payment of such taxes and penalties within thirty (30) days. If payment is not made, Buyer may pay and deduct the amount thereof plus five (5%) per cent penalty from the payments next becoming due Seller under the Contract.

9. INSURANCE. Buyer agrees to keep all buildings now or hereafter erected on the property described herein continuously insured under fire and extended coverage policies in an amount not less than the balances owed on obligations assumed by Buyer plus the balance due Seller, or full insurable value, whichever is lower. All policies shall be held by the seller and be in such companies as the Seller may approve and have loss payable first to Seller and then to Buyer. Buyer may within thirty (30) days after loss negotiate a contract to substantially restore the premises to their condition before the loss. If the insurance proceeds are sufficient to pay the contract price for restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored. Otherwise the amount collected under any insurance policy shall be applied upon amounts due hereunder. In the event of forfeiture, all rights of Buyer in insurance policies then in force shall pass to Seller.

10. NONPAYMENT OF TAXES, INSURANCE AND UTILITIES CONSTITUTING LIENS. If Buyer fails to pay taxes or assessments, insurance premiums or utility charges constituting liens prior to Seller's interest under this Contract, Seller may pay such items and Buyer shall forthwith pay Seller the amount thereof plus a late charge of five (5%) per cent of the amount thereof plus any costs and attorney's fees incurred in connection with making such payment.

11. CONDITION OF PROPERTY. Buyer accepts the property in its present condition and acknowledges that Seller, his agents and subagents have made no representation or warranty concerning the physical condition of the property or the uses to which it may be put other than as set forth herein. Buyer agrees to maintain the property in such condition as complies with all applicable laws.

12. RISK OF LOSS. Buyer shall bear the risk of loss for destruction or condemnation of the property. Any such loss shall not relieve Buyer from any of Buyer's obligations pursuant to the Contract.

13. WASTE. Buyer shall keep the property in good repair and shall not commit or suffer waste or willful damage to or destruction of the property. Buyer shall not remove commercial timber without the written consent of Seller.

14. CONDEMNATION. Seller and Buyer may each appear as owners of an interest in the property in any action concerning condemnation of any part of the property. Buyer may within thirty (30) days after condemnation and removal

of improvements, negotiate a contract to substantially restore the premises to their condition before the removal. If the condemnation proceeds are sufficient to pay the contract price for restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless underlying encumbrances provide otherwise. Otherwise, proceeds of the award shall be applied in payment of the balance due on the purchase, as Seller may direct.

15. DEFAULT. If the Buyer fails to observe or perform any term, covenant or condition of this Contract, Seller may:

(a) Suit for Installments. Sue for any delinquent periodic payment, or

(b) Specific Performance. Sue for specific performance of any of Buyer's obligations pursuant to this Contract; or

(c) Forfeit Buyer's Interest. Forfeit this Contract pursuant to Ch.61.30, RCW, as it is presently enacted and may hereafter be amended. The effect of such forfeiture includes: (i) all right, title and interest in the property of the Buyer and all persons claiming through the Buyer shall be terminated; (ii) the Buyer's rights under the Contract shall be cancelled; (iii) all sums previously paid under the Contract shall belong to and be retained by the Seller or other person to whom paid and entitled thereto; (iv) all improvements made to and unharvested crops on the property shall belong to the seller; and (v) Buyer shall be required to surrender possession of the property, improvements, and unharvested crops to the Seller ten (10) days after the forfeiture.

(d) Acceleration of Balance Due. Give Buyer written notice demanding payment of said delinquencies and payment of a late charge of five (5%) per cent of the amount of such delinquent payments and payment of Seller's reasonable attorney's fees and costs incurred for services in preparing and sending such Notice and stating that if payment pursuant to said Notice is not received within thirty (30) days after the date said Notice is either deposited in the mail addressed to the buyer or personally delivered to the Buyer, the entire balance owing, including interest, will become immediately due and payable. Seller may thereupon institute suit for payment of such balance, interest, late charge and reasonable attorneys' fees and costs.

16. RECEIVER. If Seller has instituted any proceedings specified in Paragraph 15 and Buyer is receiving rental or other income from the property, Buyer agrees that the appointment of a receiver for the property is necessary to protect Seller's interest.

17. BUYER'S REMEDY FOR SELLER'S DEFAULT. If Seller fails to observe or perform any term, covenant or condition of this Contract, Buyer may, after thirty (30) days' written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured.

18. NON-WAIVER. Failure of either party to insist upon strict performance of the other party's obligations hereunder shall not be construed as a waiver of strict performance thereafter of all of the other party's obligations hereunder and shall not prejudice any remedies as provided herein.

19. ATTORNEYS' FEES AND COSTS. In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorneys' fees and costs, including costs of service of notices and title searches, incurred by the other party. The prevailing party in any suit instituted arising out of this Contract and in any forfeiture proceedings arising out of this Contract shall be entitled to receive reasonable attorneys' fees and costs incurred in such suit or proceedings.

20. NOTICES. Notices shall be either personally served or shall be sent certified mail, return receipt requested by regular first class mail to Buyer at Star Route, Cook, WA 98605, and to Seller at M.P.61.43, State Highway 14, Underwood, WA 98651, or at such other addresses as either party may

specify in writing to the other party. Notices shall be deemed given when served or mailed. Notice to Seller shall also be sent to any institution receiving payments on the Contract.

21. TIME FOR PERFORMANCE. Time is of the essence in performance of any obligations pursuant to this Contract.

22. SUCCESSORS AND ASSIGNS. Subject to any restrictions against assignment, the provisions of this Contract shall be binding on the heirs, successors and assigns of the Seller and the Buyer.

23. DUE ON SALE. If Buyer, without written consent of Seller, (a) conveys, (b) sells (c) contracts to convey or sell, (d) grants an option to buy the property, (e) permits a forfeiture or foreclosure or trustee or sheriff's sale of any of the Buyer's interest in the property or this Contract, Seller may, within thirty (30) days' notice thereof, declare the entire balance of the purchase price immediately due and payable.

24. ENTIRE AGREEMENT. This Contract constitutes the entire agreement of the parties and supercedes all prior agreements and understanding, written or oral. This Contract may be amended only in writing executed by Seller and Buyer.

IN WITNESS WHEREOF the parties have signed and sealed this Contract the day and year first above written.

SELLER:

BUYER:

BROUGHTON LUMBER COMPANY

REES STEVENSON, President

STATE OF WASHINGTON)

County of Klickitat)

STEPHEN NELLIS

JANIS K. BROWN

I certify that I know or have satisfactory evidence that REES STEVENSON signed this instrument, on oath stated that he was authorized to execute the instrument of BROUGHTON LUMBER COMPANY to be the free and voluntary act of such party for the uses and purposes mention in the instrument.

Dated: June 15, 1988

Robert R. Blades
Notary Public for Washington
residing at White Salmon, therein.

STATE OF WASHINGTON)

County of Klickitat)

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

Dated: June 29, 1988

Betty Ann Hunsaker
Notary Public for Washington
residing at White Salmon, therein.