

## REAL ESTATE CONTRACT

THIS AGREEMENT, made in duplicate by and between the STATE OF WASHINGTON, Department of Natural Resources, hereinafter referred to as the "State," and JOHN T. and SHIRLEY M. DAY, husband and wife, of Stevenson (Snug Harbor), Washington, hereinafter referred to as "Purchaser," pursuant to RCW 79.01.216, et seq.:

WITNESSETH, that the State in consideration of the sum of SIXTY-NINE THOUSAND TWO HUNDRED AND NO/100 DOLLARS (\$69,200.00), to be paid as hereinafter agreed, and of the faithful performance of the covenants, agreements and conditions hereinafter expressed, to be performed and kept by the Purchaser, hereby agrees to sell to Purchaser the certain tract or parcel of real property described as follows, to-wit:

A tract of land situated in the SW $\frac{1}{4}$  of Section 14, Township 2 North, Range 7 East, W.M., Skamania County, Washington, acquired by Quitclaim Deed from the United States of America as recorded on October 1, 1980 in Volume 78, page 768 of Skamania County Record of Deeds.

The Purchaser hereby covenants and agrees to purchase from the State the above-described land, and to pay therefor the full sum of SIXTY-NINE THOUSAND TWO HUNDRED AND NO/100 DOLLARS (\$69,200.00) as follows:

The sum of \$6,920.00 at or before the execution of this contract, the receipt of which is hereby acknowledged; and an annual payment of principal and interest of \$10,310.60 due and payable on the 2nd day of August each year until this contract is fully paid. The payment schedule is:

Date	No.	Payment	Interest	Principal	Balance
08-02-88	0			\$6,920.00	\$62,280.00
08-02-89	1	\$10,310.60	\$6,477.12	3,833.48	58,446.52
08-02-90	2	10,310.60	6,078.44	4,232.16	54,214.36
08-02-91	3	10,310.60	5,638.29	4,672.31	49,542.05
08-02-92	4	10,310.60	5,152.37	5,158.23	44,383.82
08-02-93	5	10,310.60	4,615.92	5,694.68	38,689.14
08-02-94	6	10,310.60	4,023.67	6,286.93	32,402.21
08-02-95	7	10,310.60	3,369.83	6,940.77	25,461.44
08-02-96	8	10,310.60	2,647.99	7,662.61	17,798.83
08-02-97	9	10,310.60	1,851.08	8,459.52	9,339.31
08-02-98	10	10,310.60	971.29	9,339.31	(\$0.00)

Interest on all deferred payments is at the rate of 10.4 percent per annum ("contract rate"). Purchaser may make full payment at any time.

The Purchaser agrees to pay the principal sum and interest as above specified, or as adjusted for delinquent payment, at the office of the Commissioner of Public Lands, at Olympia, Washington.

1. Possession. Purchaser shall be entitled to possession of the property on the date the Commissioner of Public Lands executes the contract pursuant to compliance with Section 8, and to retain possession so long as Purchaser is not in default hereunder.

2. Assessments and Taxes. Purchaser shall pay before delinquency all taxes, assessments, water rents or water assessments, utility charges, and operation or construction charges not now delinquent and all other assessments of every kind levied or assessed against the property and hereafter falling due; except that real estate taxes for year 1988 and personal property taxes for year 1988 shall be prorated. In the event any taxes, assessments, rents or charges to be paid by Purchaser are paid by State, Purchaser shall promptly reimburse State. Upon failure of Purchaser to pay any taxes, assessments, rents or charges to be paid by Purchaser, State may declare a forfeiture of this contract or pay and discharge any such tax, assessment, rent or charge and any amount so paid shall be added to and be secured in the same manner as the unpaid purchase price, bear interest at the contract rate, and be due immediately.

3. Liens, Charges and Encumbrances. Purchaser shall pay, before delinquency, any debts secured thereby, all liens, charges or encumbrances hereafter lawfully imposed on the property, assumed by Purchaser in this contract or subject to which this purchase and sale is made; and shall not allow any part of the property to become subject to liens, charges or encumbrances having priority over the rights of the State in the property.

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REAL ESTATE EXCISE TAX  
 112.13  
 PAID Exempt  
 J. W. DePue  
 CLERK, COUNTY TREASURER

4. Personal Property. Title to personal property included herein shall remain in the State until Purchaser has fully performed this contract, and Purchaser hereby grants to the State a security interest in all of said property, all insurance and other proceeds relating thereto and all property subsequently acquired by Purchaser in substitution thereof as security for the performance of Purchaser's obligations herein. Purchaser agrees to execute and deliver to the State such further documents, UCC Financing Statements and Statements of Continuation which the State may request to further evidence or perfect the State's security interests in said property. Purchaser's rights to the property shall be subject to all applicable terms and conditions of this contract. Such personal property shall be maintained in good condition and not disposed of by Purchaser without written consent of the State. All such personal property shall remain on the real property described above, provided temporary removal shall be permitted for making of repairs and/or where the intended use of the property, such as vehicles, necessitates temporary removal.

5. Improvements. The Purchaser agrees that full inspection of the land has been made and that the State shall not be liable for any obligation respecting the condition of the land or for any alterations, improvements or repairs unless the obligation relied upon is in writing and is attached hereto. All improvements now or hereafter made to or placed on the property shall become a part thereof and shall not be removed.

6. Condition of Premises. Purchaser shall maintain the property and all improvements now or later placed on the property in a good state of repair. Purchaser shall not make any material alterations that diminish the value of the real property or improvements. Purchaser shall not allow or commit any waste. Breach of this provision shall entitle the State, upon the giving of three (3) days' written notice, to go upon the property and perform such services and acts as are necessary to comply with this provision. The necessary costs and expenses of these services and acts shall be considered an indebtedness immediately payable to the State, and which the State shall have the right to collect, or at the State's option shall be considered an obligation under the contract, shall be added to the principal of the contract, and shall bear interest at the contract rate from date that the indebtedness was incurred.

7. Use of Property. Purchaser shall not make nor allow any unlawful use of the property. The Purchaser agrees that, until final payment is made and a quitclaim deed is issued, no timber or other valuable materials shall be cut, removed, injured or destroyed without the prior written consent of the State.

8. Insurance. Purchaser shall insure with companies satisfactory to the State the buildings now or hereafter placed on the property and any personal property included in this contract in the sum of not less than its full insurable value, with loss thereunder payable first to the State, then to Purchaser, as their respective interests may appear. Purchaser shall provide the State with a current copy of the insurance policy upon request.

In the event of destruction of or damage to any of said buildings or personal property and the collection of insurance during the life of this contract, the money received on said insurance shall be used in the restoration or rebuilding of said improvements within a reasonable time, provided, that Purchaser is not at the time in default under the provisions of this contract, unless Purchaser elects that said money shall be paid to the State for application on the purchase price herein. If Purchaser fails to procure insurance and keep it in force, the State is authorized to do so, and the cost shall be added to the balance due hereunder and shall bear interest at the contract rate, and shall become due immediately, or the State may, at its option, forfeit this contract for the failure of Purchaser to procure insurance and keep it in force.

9. Destruction of Property. The Purchaser assumes all hazard of damage to or destruction of any buildings or improvements upon the property or hereafter placed thereon. In the event of damage to or destruction of any buildings or improvements upon the property, such damage as between the parties shall be the loss of Purchaser and shall not be a failure of consideration nor a ground for rescission of this contract or abatement of purchase price.

10. Condemnation. If the property or any part shall be taken and condemned, such taking shall not be a failure of consideration nor a ground for rescission of this contract. The award made for the taking shall be deemed to be the property of Purchaser, but shall be paid to the State to apply upon the purchase price, not exceeding any amounts then unpaid hereunder.



11. Deed. The State agrees, upon receiving full payment of the purchase price and interest in the manner above specified and performance of all covenants, agreements and conditions, to execute and deliver in the manner provided by law a quitclaim deed to said land.

12. Reservation by State. The above-described lands are sold subject to RCW 79.01.224. Said reservation shall be set forth in the quitclaim deed as follows:

"The grantor hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its successors, and assigns forever, all oils, gases, coal, ores, minerals and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals and fossils; and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its successors and assigns forever, the right to enter by itself, its agents, attorneys and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing and working mines thereon, and taking out and removing therefrom all such oils, gases, coal, ores, minerals and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its successors and assigns, forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain and use all such buildings, machinery, roads and railroads, sink such shafts, remove such soil, and to remain on said lands or any part thereof for the business of mining and to occupy as much of said lands as may be necessary or convenient for the successful prosecution of such mining business, hereby expressly reserving to itself, its successors and assigns, as aforesaid, generally, all rights and powers in, to, and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and the rights hereby expressly reserved.

"No rights shall be exercised under the foregoing reservation, by the state, its successors or assigns, until provision has been made by the state, its successors or assigns, to pay to the owner of the land upon which the rights herein reserved to the state, its successors or assigns, are sought to be exercised, full payment for all damages sustained by said owner, by reason of entering upon said land: PROVIDED, That if said owner from any cause whatever refuses or neglects to settle said damages, then the state, its successors or assigns, or any applicant for a lease or contract from the state for the purpose of prospecting for or mining valuable minerals, or option contract, or lease, for mining coal, or lease for extracting petroleum or natural gas, shall have the right to institute such legal proceedings in the superior court of the county wherein the land is situate, as may be necessary, to determine the damages which said owner of said land may suffer."

13. Non-Waiver. Failure of State to insist upon strict performance of Purchaser's obligations hereunder (e.g., accepting late or partial payments) shall not be construed as a waiver by State of strict performance thereafter of all of Purchaser's obligations hereunder and shall not prejudice State's remedies as provided herein or by law or equity.

14. Assignment. The terms of this contract shall be binding in favor of and against the Purchaser, Purchaser's heirs, executors, administrators, successors and assigns, but no assignment of this contract shall in any way relieve the said Purchaser from the performance of the conditions hereof on Purchaser's part, nor be recognized nor admitted by said State, unless and until the same is endorsed hereon and executed, witnessed and acknowledged in the same manner as a conveyance of land is required by law to be, and said assignment is approved by and entered on the records of the Commissioner of Public Lands, nor shall any such assignment of the Purchaser be approved unless the account is in good standing.

15. Remedies. Time is of the essence of this contract. If the Purchaser fails to make any payment or perform any obligation hereunder, State shall be entitled to exercise all rights and remedies as allowed by law or equity, including, but not limited to, the right to elect one or more of the following remedies:

(a) To forfeit this contract under Ch. 61.30 RCW, in which event, without limiting any remedies of State as provided by the said statute, all right, title and interest of Purchaser and parties claiming an interest in the real and/or personal property subject to this contract shall be canceled and terminated; all prior payments shall be retained by the State; all improvements and unharvested crops shall be forfeited; and State shall be entitled to possession of the real and/or personal property, which right may be enforced under the provisions of Ch. 59.12 RCW. Upon forfeiture, the State shall be released from all obligation to convey said property and Purchaser shall quietly and peaceably surrender the possession of the property.

(b) To declare all amounts payable under this contract immediately due and payable and institute suit to collect such amounts, together with reasonable attorneys' fees; provided, if within thirty (30) days after commencement of such action, Purchaser cures the default(s) and pays to State, State's actual attorneys' fees incurred and other taxable costs of suit, this contract shall be reinstated.

(c) To commence an action for the collection of past due payments or obligations arising prior to the date of judgment.

(d) To commence an action for specific performance of Purchaser's obligations under this contract (including redress by either a mandatory or prohibitive injunction).

(e) If Purchaser is in default under this contract and abandons the real and personal property, if any, subject hereto, pending the exercise of other rights or remedies as provided for herein, State may take immediate possession of the real and/or personal property for the purpose of preserving or otherwise protecting the property from loss, damage or waste.

16. Notices. Service upon Purchaser of all demands, notices or other papers, including but not limited to notice of forfeiture and termination of Purchaser's rights, may be made by United States Mail, postage prepaid, directed to the Purchaser at the address last known to the State.


17. Attorneys' Fees-Costs. In the event of a lawsuit by the State to enforce this contract, the State shall be entitled to recover, if it prevails, judgment against the Purchaser for reasonable attorneys' fees and costs (including title and lien searches) either at trial or on appeal. If the State exercises any non-judicial right or remedy to enforce its rights hereunder, it shall be a condition for the cure of the default that the Purchaser pay the State's reasonable attorneys' fees incurred and all reasonable costs, including costs of service of notices and title and lien searches. Failure to pay such costs and reasonable attorneys' fees shall constitute an event of default under this contract.

18. Venue. If either party commences an action to enforce rights under this contract, venue of such action shall lie in Thurston County, Washington.

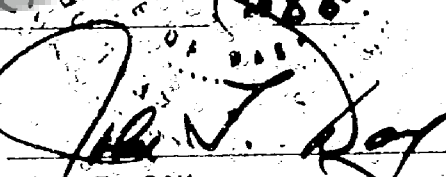
IN TESTIMONY WHEREOF, The State of Washington, by the Commissioner of Public Lands, and the Purchaser have hereunto subscribed their names in duplicate.

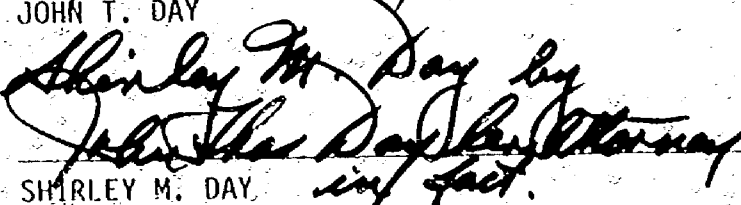
Executed this 24<sup>th</sup> day of August, 1988.

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

  
BRIAN J. BOLLER  
Commissioner of Public Lands

Signed this 16<sup>th</sup> day of August, 1988.

  
JOHN T. DAY

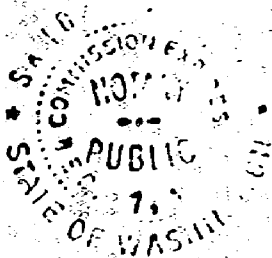
  
SHIRLEY M. DAY  
P O BOX 401 (SNUG HARBOR)  
STEVENSON, WA 98648

App. No. 02-049406  
020841

STATE OF )  
 ) SS  
 County of )

On this day, personally appeared before me John Thomas Day, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged the same as his free and voluntary act.

Given under my hand and official seal this 16<sup>th</sup> day of August, 19 88.



Sandra D. Yancy  
 Notary Public in and for the State of  
 Washington, residing at Olympia

App. No. 02-049406  
 020841

FILED FOR RECORD  
 SKAMAH CO. WASH  
 BY STATE OF WASH. CO.

AUG 29 2 36 PM '88

S. D. Yancy  
 AUDITOR  
 GARY M. OLSON