

REAL ESTATE CONTRACT

THIS AGREEMENT, made and entered into this 12th day of September, 1988, by and between EVELYN A. GILLARD, hereinafter called the "Seller", and DAVID M. MCKENZIE and KATHY L. MCKENZIE, husband and wife, hereinafter called the "Purchasers", WITNESSETH:

That the Seller agrees to sell and the Purchasers agree to purchase the following described real estate situated in the County of Skamania, State of Washington:

Lots Five (5), Six (6) and Seven (7) of Block One (1), Cascades Addition to the Town of Stevenson, according to the official plat thereof on file and of record in the Office of the Auditor of Skamania County, Washington.

The terms and conditions of this contract are:

1. Purchase Price:

(A) The total purchase price is THIRTY-NINE THOUSAND SEVEN HUNDRED FIFTY AND NO/100ths-----DOLLARS (\$39,750.00), of which SIX HUNDRED & NO/100 DOLLARS (\$600.00) has been paid, the receipt of which is hereby acknowledged, and the balance of THIRTY-NINE THOUSAND ONE HUNDRED FIFTY DOLLARS (\$39,150.00) shall be paid as follows:

In monthly installments of \$ 364.95 each, beginning with the 1st day of November, 1988, and continuing on the 1st day of each and every month thereafter for 120 months at which time the entire unpaid balance of principal and interest shall be paid in full. The unpaid balance of the purchase price and all unpaid interest shall at all times bear interest at the rate of 9 1/2% per annum, and from each payment shall first be deducted interest to date and the balance shall be applied on principal.

Permission is especially granted to purchasers to make larger payments at any time, or to pay this contract in full, and interest shall immediately cease on all payments so made.

(B) All payments under this contract shall be made directly to the seller at 2604 171st Ave. S.E., Bellevue,

Glenda J. Kimball, Skamania County Assessor
By: 02 Parcel # 5-9-36-3-4-4000

12242
REAL ESTATE EXCISE TAX
SEPT 13 1988
PAID 632.63
SKAMANIA COUNTY TREASURER

FILED FOR RECORD
SKAMANIA CO. WASH
BY ODDIO W. OCKEN
SEP 13 12 35 PM '88
GARY H. OLSON
AUDITOR

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Washington 98008, or at any other location agreed upon between the parties.

(C) The purchasers shall make additional principal payments of ONE THOUSAND DOLLARS (\$1,000.00) per year or, in the alternative shall make such improvements to the real property as are approved by the seller in an amount of at least \$1,000.00; provided that the improvements to the real property will not reduce the unpaid principal balance of the contract ^{Minimum 5 years or \$5,000.00}

(D) In the event purchasers shall sell, transfer, assign, or hypothecate the property, or this contract, in any way, the entire unpaid balance of the purchase price, together with accrued interest, shall be due and owing to the seller.

2. Closing Date/Date of Possession: This real estate transaction shall be closed on the execution date of this contract and the Purchasers are entitled to physical possession of the premises on September, 12, 1988.

3. Taxes, Assessments and Insurance:

(A) The parties agree that the real property taxes shall be prorated as between seller and purchasers as of the date of possession; and purchasers agree to keep the buildings now or hereafter placed upon the premises insured to the full insurable value thereof against loss or damage by fire, with extended coverage in like amount, in some company acceptable to seller and for the benefit of the seller or purchasers as their interests may appear, and to pay all premiums therefor until the purchase price is fully paid, and to deliver to seller the insurance policies, renewal and premium receipts.

(B) Purchasers agree to pay all all taxes and assessments legally levied against the subject property subsequent to date of closing before the same shall become delinquent.

(C) Purchasers also agree to assume all hazards of damage to or destruction of any improvements now on said land or hereafter to be placed thereon; and agree to keep the buildings and all improvements on the premises in good condition and repair and not to permit waste; and agree not to use the premises or any part thereof for any illegal purpose.

(D) In the event Purchasers fail to make payments as herein provided, the Seller may pay such taxes or assessments and effect such insurance and any amount so paid by the Seller shall be deemed a part of the purchase price and shall become payable forthwith with interest at the rate of 12% per annum until paid, without prejudice to any other rights of seller by reason of such failure to pay.

4. Inspection of Premises and Miscellaneous Provisions: Purchasers agree that a full inspection of the subject property has been made and that neither the Seller nor her

assigns shall be liable under any covenants respecting the condition of the premises or for any agreement for alterations, improvements or repairs unless the covenant or agreement relied upon is in writing and is attached to and made a part hereof; that the purchasers are purchasing the subject property as is, without warranty by seller with regard to the availability of building permits and/or future zoning or other building restrictions. Purchasers further agree to permit the Seller, or her agents, to enter into or upon said premises at any reasonable time to inspect the same.

5. Transfer: This contract is personal to the Purchasers and they agree not to divide the property, sell, assign, hypothecate, or otherwise transfer their interest herein in any way to any other party, or parties, without first obtaining the written consent of Seller; and, in the event such consent is given it is agreed that the net profits from the sale of any portion of the property shall be applied towards the reduction of the contract balance.

6. Purchasers' Default: The Purchasers shall be in default under this contract if they (a) fail to observe or perform any term, covenant or condition herein set forth or those of any prior encumbrances, or (b) fail or neglect to make any payment of principal or interest or any other amount required to be discharged by the Purchasers precisely when obligated to do so, or (c) become or are declared insolvent or make an assignment for the benefit of creditors, or files any debtors' petition or any petition is filed against them under any bankruptcy, wage earner's, reorganization or similar act, or (d) permit the property or any part thereof or their interest therein to be attached or in any manner restrained or impounded by process of any court, or (e) abandon the property for more than thirty (30) consecutive days (unless the property is otherwise occupied), or (f) convey the property or a portion thereof without any prior written consent required herein of the Seller.

7. Seller's Remedies: In the event the Purchasers are in default under this contract the Seller may, at her election, take the following courses of action:

(A) Forfeiture. The Seller may cancel and render void all rights, titles and interests of the Purchasers and their successors in interest in this contract and in the property (including all of Purchasers' then existing rights, interests and estates therein 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 Purchasers and may take possession of the property ten (10) days following the date this contract is forfeited and summarily eject the Purchasers and any person or persons having possession of the said property by, through or under the Purchasers who were properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture. In the event the Purchasers or any person or persons claiming by, through or under the Purchasers who were properly given the

Notice of Intent to Forfeit and the Declaration of Forfeiture, remains in possession of the property more than ten (10) days after such forfeiture, the Purchasers, 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 Purchasers 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;

(B) Acceleration. Upon giving the Purchasers not less than fifteen (15) days' written notice of her 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 Purchasers' title to the property, or if the Purchasers commit 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) Specific Performance. The Seller may institute suit to specifically enforce any of the Purchasers' covenants hereunder, and the same may include redress by mandatory or prohibitive injunction;

(D) Property Rental.

1. The purchasers are purchasing the property for residential purposes. Purchasers shall not lease or rent the premises without the seller's written consent.
2. In the event this contract is forfeited as herein provided, or in any other manner permitted by law, or by mutual agreement of the Purchasers and the Seller, and the Purchasers shall thereafter remain in possession of the property beyond any period otherwise permitted by law, the Purchasers agree that they will occupy the property as tenants at will, and the Purchasers shall be obligated to pay, and hereby promise to pay, during the period of such tenancy at will, a fair market rental in the amount then agreed to by the parties or, in the absence of such agreement or until such agreement is reached, an amount equal to two (2) times the installment amount as and when provided for in the specific terms hereof, and the Seller shall have, in addition to all other remedies for the collection of rentals and the recovery of possession that are available to landlords under the laws of the State of Washington, the right to institute an action for summary possession of the property as provided by law.

8. Purchasers' Remedies. In the event the Seller should default in any of her obligations under this contract and such default continues for fifteen (15) days after the Purchasers give the Seller written notice specifying the nature thereof and the acts required to cure the same, the Purchasers shall have the right to specifically enforce this contract, institute suit for their damages caused by such default, or pursue any other remedy which may be available to the Purchasers at law or in equity.

9. Remedial Advances. If either party to this contract shall fail to timely pay and discharge any payments or sums for which they have 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 Purchasers fail 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 their 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.

10. Cumulative Remedies/Waivers. The remedies stated herein are cumulative and not mutually exclusive and the Seller or the Purchasers 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 Purchasers' 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 elect to forfeit the Purchasers' 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 Purchasers hereby expressly waive any legal or equitable rights that the Purchasers may have with respect to marshaling of assets. The Seller shall not be required to tender their 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 payees' 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.

11. 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, 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 to enforce the provisions of this contract, the prevailing party in such action shall be entitled to reimbursement by the losing party for their 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.

12. Notices. Any notices required or permitted by law or under this contract shall be in writing and shall be sent by first class certified 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.

13. 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.

14. 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 Purchasers 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 Purchasers 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

