

BOOK 126 PAGE 744

# REAL ESTATE CONTRACT

JAN 11 58 AM '92

58 IN '92  
J. Savoy  
ATLANTA  
TOEY & SONS

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

Date: December 19, 1991

**Sellers:** ROSE M. JOSEPH, Individually, and  
ROSE M. JOSEPH and JAMES L. JOSEPH,  
as Co-Trustees of the LOUIS M. JOSEPH  
TESTAMENTARY TRUST  
Stevenson, Washington 98648

Purchaser: ANN JERMANN, a widow  
265 Second Street  
Stevenson, Washington 98648

Real Property Legal Description: See Exhibit "A" consisting of one (1) page, dated December 12, 1991, attached hereto and by this reference incorporated herein.

**Personal Property:** Fixtures attached to the subject real property for which there may be a question as to whether they are real or personal, such as heating and air conditioning units.

Title to be Conveyed: Upon fulfillment of Real Estate Contract, which is subject to subordination clause, a Warranty Deed shall issue to Purchaser.

**Title Exceptions:** Those of record as indicated on the above referenced Exhibit "A" and on the Preliminary Commitment for Title Insurance, File No. 16694, dated December 5, 1991, marked Exhibit "B" which is attached hereto and by this reference incorporated herein.

**TOTAL PURCHASE PRICE:** \$ 650,000.00

Downpayment to be Paid as Follows:  
 Amount Paid to Sellers  
 as Earnest Money: \$ 6,500.00

Purchaser to Pay into Es-  
crow on December 12, 1991: \$ 160,000.00

Purchaser to Pay into Es-  
crow on January 3, 1992: \$ 43,500.00

**Total Downpayment:** \$ 210,000.00

**BALANCE DUE on Contract:           \$ 440,000.00**

Registered ☒  
Indexed, air ☒  
Indirect ☒  
Filed 1/15/92  
Mailed ☒

14726

REAL ESTATE EXCISE TAX

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JAN 07 1982  
PAID 9,945.00 (8320.00 st  
1625.00 12)

**B. TERMS OF DEFERRED AMOUNT TO BE PAID TO SELLERS**

Interest Rate: Ten percent (10%) per annum

Installment Periods: 240 Monthly Installments

First Installment Date: February 10, 1992

Schedule of Payments: (a) \$ 3,241.26 in months of February, March and April, 1992;

(b) \$5,241.26 in months of May, June, July, August, September and October, 1992;

(c) \$3,241.26 in months of November and December, 1992, and January, 1993; and thereafter

(d) Like payments for each subsequent month shall be made throughout the course of this contract, provided that the final payment due on the 240th month shall include all unpaid balances of principal, interest, and unpaid costs for late charges.

Final Payment Date: 240th month

Default Rate: 12% per annum

Late Charge: Actual costs

Prepayment Provisions: No prepayment for first 60 months without payment of an additional 10% of the unpaid balance as a premium. Thereafter, no penalty for prepayment.

Prepayment Premium: 10% if within first 60 months.

Address to which Installment Amounts are to be Sent: Riverview Savings Bank  
Stevenson, Washington 98648

**C. TERMS OF PRIOR ENCUMBRANCES****Prior Encumbrance:**

To be Paid by: Purchaser, through Escrow Agent on Date of Closing

Current Holder: Riverview Savings Bank

Account Number: 0301500579

Payoff as of 12/12/91: \$ 91,112.31

Per Diem Rate: \$ 27.12

Secured by: Mortgage on subject property executed by Rose Marie Joseph and James L. Joseph, Co-Trustees of the Louis Joseph Trust, dated November 7, 1985, recorded November 7, 1985, in Book 62, Page 168, Auditors File No. 100282, Skamania County Mortgage Records.

## Prior Encumbrance:

To be Paid by:	Purchaser, through Escrow Agent on Date of Closing.
Current Holder:	Riverview Savings Bank
Account Number:	0301601881
Payoff as of 12/12/91	\$ 50,382.20
Per Diem Rate:	\$ 15.99
Secured by:	Unsecured loan (Joseph & Son, Inc.)

## D. FUTURE ENCUMBRANCES

Sellers agree to subordinate this real estate contract to a mortgage executed by Purchaser to a lender of Purchaser's choice, in an amount not to exceed \$152,500.00 and bearing an interest rate of ten percent (10%) per annum, amortized over twenty (20) years.

## E. MISCELLANEOUS

Portion of Purchase Price  
Allocated to Real Property: 100%

Portion of Purchase Price  
Allocated to Personal  
Property: -0-

Principal Use of Property: Retail Sales

Attached Exhibits:

- (1) Exhibit "A" - Legal Description
- (2) Exhibit "B" - Title Report
- (3) Addendum - Counter Offer of Purchase
- (3) Escrow Instructions

THE SELLERS AND THE PURCHASER HEREBY AGREE TO THE TERMS HEREINABOVE SET FORTH AND THE COVENANTS AND CONDITIONS CONTAINED IN THE ATTACHED GENERAL TERMS, ALL OF WHICH ARE INCORPORATED BY THIS REFERENCE. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE SPECIFIC TERMS AND THE GENERAL TERMS, THE FORMER SHALL CONTROL.

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

SELLERS:

( Rose M. Joseph  
( ROSE M. JOSEPH, Individually  
(  
( LOUIS JOSEPH TESTAMENTARY TRUST

( by: Rose M. Joseph  
( ROSE M. JOSEPH, Co-Trustee

( by: James L. Joseph  
( JAMES L. JOSEPH, Co-Trustee

PURCHASER:

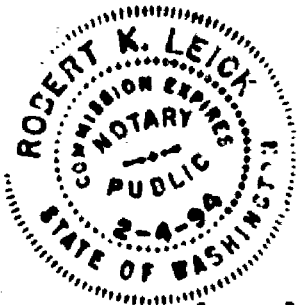
( Ann Jermann  
( ANN JERMANN

STATE OF WASHINGTON )  
 ) ss.  
 County of Skamania )

I certify that I know or have satisfactory evidence that ROSE M. JOSEPH, in her individual capacity, and ROSE M. JOSEPH and JAMES L. JOSEPH, in their capacity as Co-Trustees of the Louis Joseph Testamentary Trust, and ANN JERMANN, are the persons who appeared

before me and executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes mentioned herein.

Dated: December 12th, 1991.



Robert K. Leick  
 Notary Public in and for the State of  
 Washington, residing at Stevenson  
 My appointment expires 4-4-94

## II. GENERAL TERMS

1. **AGREEMENT OF SALE.** The Sellers agree to sell and the Purchaser agrees to purchase all that certain Real Property and Improvements (collectively the "Property") described in this contract, subject to the Title Exceptions listed in the Specific Terms hereof, 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 Sellers in the manner set forth in the Specific Terms. The deferred portion of the Purchase Price which the Purchaser is to pay to the Sellers 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, expenses and late charges for which the Purchaser is then liable hereunder, secondly against interest, and thirdly against the principal then due to the Sellers. Interest shall continue to accrue until the Sellers receive 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 Sellers 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, if any, be made through an escrow or collection account, the costs of which shall be borne by the requesting party unless otherwise agreed.

3. **SUBSEQUENT ENCUMBRANCES.** The parties understand that a portion of the purchase price being paid by Purchaser has been or will be borrowed by Purchaser from a lender of Purchaser's choice. Sellers agree that their interest in this real estate contract will be subordinated in an amount not to exceed \$152,500.00 and that as this amount is reduced the Sellers' obligation to subordinate shall be correspondently reduced. It is also agreed by the parties that



the Purchaser may from time to time refinance the unpaid balances of her original loan but never in an amount any greater than the principal balance owing at the execution of the refinancing and never so long as the Purchaser is in default of this contract or in default of the conditions of the Purchaser's loan from the Purchaser's lender described herein.

The loan contemplated herein, that the Sellers are subordinating to, shall be amortized over twenty (20) years and shall bear interest at a rate not greater than ten percent (10%) per annum.

4. RETENTION OF TITLE AND SECURITY. Except as otherwise provided for herein, the Sellers' title to the Property and any substitutions hereof shall remain in the Sellers' until the Purchaser is entitled to receive delivery of the Sellers' deed. In addition thereto, the Purchaser hereby grants to the Sellers a security interest in all condemnation awards and insurance proceeds relating to the Property. After all sums evidenced by this contract, due to the Sellers, have been paid, the Sellers shall deliver their fulfillment deed to the Purchaser in the form and subject to the exceptions herein agreed to. In the event any escrow account is established for this contract, said deed shall be executed and placed with the escrow agent promptly following the opening of said account with instructions to deliver it to the Purchaser when entitled thereto.

5. POSSESSION. From and after the date of this contract, the Purchaser may enter upon and take possession of the Property. <sup>of recording</sup>

6. TAXES AND ASSESSMENTS. In addition to the payments hereinabove provided for, the Purchaser shall pay before delinquency all real and personal property taxes, all general and special assessments, and all other charges of whatsoever kind or nature are 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, shall be paid before delinquency by the Sellers. 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 Sellers' written demand to do so, and if such failure occurs two (2) or more times during the term of this contract, the Sellers may, for the remaining term of this contract, require the Purchaser to deposit with each Installment Amount an amount reasonably estimated by the Sellers to be necessary to discharge the real property taxes and assessments next due, said estimates to be adjusted by the Sellers 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 Sellers. The amounts so paid which have not been applied against such liabilities shall be returned to the Purchaser with the delivery of the Sellers' deed to the Purchaser. The Sellers 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 Sellers 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 commingled 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 Sellers the right to require tax reserve payments.

7. INDEMNIFICATION AND INSURANCE. The Purchaser shall and hereby covenants and agrees to indemnify and hold the Sellers harmless for any losses, damages, costs, claims and liabilities, including attorney's fees, caused by any negligent, reckless or intentional act of or negligent or reckless failure to act by the Purchaser or any of her agents, 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 Sellers' deed to the Purchaser.

The Purchaser shall, at her 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 Sellers 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 Purchase Price of the Property, or (c) such higher amount as may be required by the terms of any subordinated encumbrance, and shall be placed with an insurance company authorized to do business in the State of Washington. All insurance policies shall expressly include the Sellers as named insured, shall contain a waiver of subrogation clause (to the extent reasonably obtainable), and shall include provisions to the effect that they cannot be materially modified or cancelled prior to Sellers receiving not less than twenty (20) day's advance written notice, and accurate and complete copies thereof shall be deposited with the Sellers upon written request.

In the event of loss or damage to the Property which is required to be insured hereunder, and except as otherwise required by any subordinated encumbrance and the then holder thereof, the insurance proceeds shall, at the option of the Purchaser, be used to repair, rebuild, or replace all improvements and personal property which may have been destroyed or damaged to the extent necessary to restore and replace them to substantially the same condition which existed immediately prior to the casualty, subject to such modifications as may then be required by law or to which the Sellers agree in writing. Immediately upon receipt, all insurance proceeds, together with any other sums required to complete the repairs and restorations, shall be placed in a construction disbursement account with an escrow agent or other person jointly designated by the Sellers and the Purchaser and shall be disbursed periodically in amounts corresponding to the percentage of completion of repairs; provided, however, in the 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 Sellers. No construction may be commenced until all sums required to pay the cost 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, she shall first obtain the Sellers' written consent. All repairs or 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 subordinated 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 Sellers and applied against the principal balance last due hereunder, and the Sellers shall accept the same notwithstanding any prepayment restriction in this contract. The Prepayment Premium shall not be added to any payments required by this paragraph.

If (i) a subordinated encumbrance and the then holder thereof does not permit the use of casualty insurance proceeds for repairs, or (ii) the Purchaser does not elect to repair the damage, or (iii) the Sellers' consent to materially different improvements is not waived or given, or (iv) the Purchaser does not deposit into the disbursement account all sums in excess of available insurance proceeds required for reconstruction by the date construction is required to commence, or (v) construction is not commenced when required or not continuously pursued (subject to delays beyond the reasonable control of the Purchaser), the Sellers may require that all casualty insurance proceeds be immediately paid to the Sellers (without addition of the Prepayment Premium) or to the holder of a subordinated encumbrance having a valid claim thereto which is prior to the Sellers. The Purchaser shall make the elections provided for in this paragraph within sixty (60) days following the date of the casualty, and the Sellers shall respond in writing to a written request to construct materially different improvements within twenty (20) days after said request. Any failure of the Purchaser to timely make any such election shall enable the Sellers to apply the insurance proceeds against the principal last due under this contract, and any failure of the Sellers to timely respond to any such request shall be deemed an approval thereof.

Damage to or destruction of the Property or any portion thereof shall not constitute a failure of consideration or provide a basis for the rescission of this contract, nor shall such circumstances relieve the Purchaser of her obligation to pay the remaining Installment Amounts when due. In the event of any failure of the Purchaser to obtain or timely pay any premiums for any insurance required by this paragraph, and if such failure is not rectified within any required notice period for remedial advances under this contract, the Sellers may require the Purchaser to deposit with each Installment Amount an amount reasonably estimated by the Sellers to be necessary to discharge the next ensuing premiums for said policies, said estimates to be adjusted by the Sellers upon receipt of the premium invoices to reflect the actual amount of such liabilities. The payments so made which have not been applied against such liabilities shall be returned to the Purchaser with the delivery of the Sellers' deed to the Purchaser.



The Sellers 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 Sellers 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 commingled with any tax reserve account under this contract.

8. UTILITIES. The Purchaser shall pay for the costs 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 her own name. Any such services used prior to the date hereof by any person other than the Purchaser shall be the responsibility of the Sellers.

9. CONDITION OF PROPERTY. Except as may be otherwise provided in any written agreement between the parties hereto which is intended to survive the execution of this contract, the Purchaser hereby accepts the Property in the condition existing on the date of this contract and confirm that neither the Sellers nor any agent or representative of the Sellers have given or made any warranty or representation whatsoever concerning the physical condition thereof or the uses or purposes to which the same may now or hereafter be placed.

10. 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. No loss, damage or destruction of all or part of the Property shall constitute a failure of consideration or a basis for the rescission of this contract or relieve the Purchaser from her obligation to observe and perform all of the terms, covenants and conditions hereof. Each of the parties hereto releases the other from all liability for damage caused by any act or neglect of the other party, their 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, 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.

11. 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 Purchaser shall not, without the prior written consent of the Sellers, remove any Personal Property from the Real Property, and will keep and maintain the same in good order, repair and condition; provided, however, the Purchaser shall have the right to promptly replace Personal Property with items of comparable worth and utility. The Purchaser shall replace any item of Personal Property or any substitutions thereof which may become lost, broken or beyond repair, and such after-acquired item shall be subject to all of the provisions hereof. No replacements or substitutions permitted or required in this paragraph may be subject to a security interest or



conditional sales contract which would have priority over the Sellers' security interest. The Sellers 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.

12. 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 Sellers, 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 Sellers may not unreasonably withhold their consent if the action proposed will not materially affect the value of the Property or violate any applicable laws or ordinances or the term of this contract or of any subordinated 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 Sellers 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 of any agent, contractor, subcontractor, or independent contractor of the Purchaser shall encumber any interest of the Sellers 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 the Sellers' consent) all such alterations, repairs, improvements, replacements and additions, including any new buildings and improvements, shall immediately be and become the property of the Sellers and subject to all of the terms, covenants and conditions of this contract.

Purchaser is specifically authorized to make the improvements and changes contemplated by drawings and specifications dated November 6, 1991, prepared by Lee Hockinson and revised on December 2, 1991, consisting of one (1) sheet.

13. 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 other rules and regulations 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.

14. 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 Sellers 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 Sellers or the Purchaser shall, subject to the requirements of any subordinated encumbrance, 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 reimburseable 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 Sellers, 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.

15. TRANSFER OF PURCHASER'S INTEREST. If the Purchaser's title to the Property or any portion thereof is conveyed to any person, the Sellers may, at their 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 Sellers may elect one of the 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 Sellers elect to adjust the interest rate, and subject to any restrictions and prepayment requirements contained in any subordinated 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 five (5) years (including extension options). A "conveyance" of the "Purchaser's Title" shall not include (i) a lease or other transfer of possession of the Property for five (5) 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; (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; or (vi) a transfer to accomplish a change of business or entity, such as from individual to corporate, so long as ownership in the stock is substantially the same as prior ownership. 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 Sellers in writing.

16. PURCHASER'S DEFAULT. The Purchaser shall be in default under this contract if she (a) fails to observe or perform any term, covenant or condition herein set forth or those of any subordinated encumbrances, or (b) fails or neglects to make any payment of principal and 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 her under any bankruptcy, wage earner's reorganization or similar act, or (d) permits the Property or any part thereof or her 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 Sellers.

17. SELLERS' REMEDIES. In the event the Purchaser is in default under this contract the Sellers may, at their election, take the following courses of action:

(a) Suit for Delinquencies. The Sellers may institute suit for any Installments 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 Sellers 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 their 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 Sellers herein required for a conveyance of the Purchaser's title to the Property, or if the Purchaser commits waste on the Property, the Sellers 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 Sellers 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 Sellers may cancel and render void all rights, titles and interests of the Purchaser and her successors in this contract and in the Property (including all of Purchaser's then existing rights, interests and estates therein, and improvements thereon) by giving 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 Sellers record a Declaration of Forfeiture pursuant to RCW 61.30.040-070. Upon the forfeiture of this contract the Sellers 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 Sellers and the Sellers 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 Sellers 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) Remedies under the Uniform Commercial Code. The Sellers shall have and the Purchaser hereby grants to the Sellers all of the rights and remedies contained in the Uniform Commercial Code in effect in the State of Washington as of the date of the Purchaser's default and to the extent such remedies may be applicable to the type of collateral affected thereby;

(f) 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 Sellers and to the Property. Therefore, the Purchaser hereby expressly agrees that in the event of any default under this contract which is not cured, the Sellers 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 or manage 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, subordinated 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 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

(g) Property Rental. In the event this contract is forfeited as herein provided, or in any other manner permitted

by law, or by mutual agreement of the Purchaser and the Sellers, and the Purchaser shall thereafter remain in possession of the Property beyond any period otherwise permitted by law, the Purchaser agrees that she will occupy the Property as a tenant at will, and the Purchaser shall be obligated to pay, and hereby promises 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 Sellers 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 and maintain an action for summary possession of the Property as provided by law.

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

19. 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 subordinated encumbrance, the other party hereto may pay, effect or discharge such sums as are necessary to cure such default upon giving the party required to make such payments 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 said party's reasonable attorney's 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.

20. CUMULATIVE REMEDIES; WAIVERS. The remedies stated herein are cumulative and not mutually exclusive and the Sellers 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 Sellers shall not have the right to accelerate the remaining balance of the Purchase Price in the event the Sellers elect 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 Sellers shall not be required to tender their deed 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 rights to pursue any remedy hereunder for any other existing or subsequent defaults of the same or a different nature or for breach of any other term, covenant or condition hereof.

21. 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 to make any demand, enforce any remedy, or otherwise protect or enforce their 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, 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 their court costs and reasonable attorneys' fees. 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.

22. NOTICES. Subject to the requirement of any applicable statute, and 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 Sellers may change the address for payments, by designating the same to the other party herein 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 when personally delivered or, if mailed, on the date of the deposit thereof in the U.S. mail and irrespective of actual receipt of such notice by the address.

23. 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.

24. PARAGRAPH HEADINGS. The underscored word or words appearing at the commencement of paragraphs and subparagraphs of



this contract are included only as a guide to the contents thereof and are not to be considered as controlling, enlarging or restricting the language or meaning of those paragraphs or subparagraphs.

25. GENDER AND NUMBER. The use of any gender or neutral term shall include all genders, and the use of any number shall be construed as singular or plural, as the case may require. The terms "Purchaser" and "Sellers" refer to either the singular or the plural, as the case may be.

26. DEFINITIONS. As used herein the term "Property" means all of the estate, right, title and interest currently held and hereafter acquired by the Sellers in and to the Real Property described herein and the rights, easements, privileges and appurtenances thereunto belonging or appertaining or held and enjoyed therewith, together with any repairs, improvements, replacements and additions thereto whether made, erected or constructed by the Sellers or the Purchaser prior or subsequent to the date hereof. All capitalized terms of this contract shall have the meanings ascribed herein or set forth opposite the same in the Specific Terms of this contract. References to the Sellers' deed or fulfillment deed herein shall include assignments of a vendee's interest under a prior real estate contract; provided, however, any form of conveyance shall contain the warranties to which the Purchaser is entitled under this contract or other agreement with the Sellers.

27. 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 unless the court's ruling includes a determination that the principal purpose and intent of this contract are thereby defeated. The intention of the Sellers 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.

28. LEGAL RELATIONSHIPS. The parties to this contract execute the same solely as sellers 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 party of the party with whom said person or persons are identified. No third party is intended to be benefitted by this contract. Any married person executing this contract hereby pledges his or her separate property and such person's and his or her spouse's marital communities in satisfaction hereof.

29. SUCCESSORS. Subject to the restrictions contained herein, the rights and obligations of the Sellers and the Purchaser shall inure to the benefit of and be binding upon their respective estates, heirs, executors, administrators, successors 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 of 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 herein need be given.

30. 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.

31. ENTIRE AGREEMENT. This contract, together with the Purchaser's Offer to Purchase contains the entire agreement of the parties hereto. Any inconsistencies between the contract and the offer are to be resolved in favor of the offer but are to be construed as not being inconsistent wherever possible and the offer and acceptance of same is to be considered an addendum to this contract.

December 12, 1991EXHIBIT "A"

A tract of land in Section 1, Township 2 North, Range 7 E.W.M., more particularly described as follows:

Beginning at the S.E. corner of Lot 8 of the Town of Stevenson, according to the official plat thereof on file and of record in the office of the Skamania County Auditor; thence S 55 degrees, 30 minutes W along the southerly line of Lot 8 and the northerly right-of-way line of Second Ave. 118.00 ft. to the true point of beginning of described tract; thence N 34 degrees, 30 minutes W 46.00 ft.; thence N 55 degrees, 30 minutes E 38.00 ft.; thence N 34 degrees, 30 minutes W 17.00 ft.; thence S 55 degrees, 30 minutes W 4.00 ft.; thence N 34 degrees, 30 minutes W 22.50 ft.; thence S 55 degrees, 30 minutes W 4.50 ft.; thence N 34 degrees, 30 minutes W 34.20 ft.; thence S 55 degrees, 30 minutes W 11.50 ft.; thence N 34 degrees, 30 minutes W 104.50 ft.; thence S 55 degrees, 30 minutes W 80.85 ft.; thence N 89 degrees, 15 minutes W 43.81 ft.; thence S 72 degrees, 22 minutes, 48 seconds W 64.25 ft. to the west line of the Shepard D.L.C.; thence S 0 degrees, 32 minutes, 45 seconds E along the west line of said D.L.C. 323.57 ft. to the northerly right-of-way line of Second Ave.; thence N 55 degrees, 30 minutes E along said right-of-way line 340.27 ft. to the true point of beginning.

EXCEPT that portion thereof conveyed to Riverview Savings Association, a Washington corporation, by instrument dated December 29, 1978, and recorded December 28, 1978, under Auditor's File No. 87852, in Book 75 of Deeds, at Page 902, records of Skamania County, Washington.

ALSO EXCEPT that portion described in contract recorded October 24, 1980, in Book 78, Page 889, Skamania County Deed Records.

SUBJECT to easements, including the terms and provisions thereof in favor of Riverview Savings Association, recorded May 18, 1979, in Book 76, Page 566, Auditor's File No. 88583, Skamania County Deed Records.