

113014

BOOK 127 PAGE 514

FILE FOR RECORD
SKAMANIA COUNTY
BY *Kielinski & Lorne*

FEB 21 1992

GARY L. SON

NOTICE OF INTENT TO FORFEIT
REAL ESTATE CONTRACT

TO: HENRY H. PATTON
ANNE V. PATTON
Cold Spring Farm
Chenoweth Road
Underwood, WA 986451

Registered
Indexed, by
Indirect
Filed 2/21/92
Mailed

The Real Estate Contract set forth below is in default. You are provided with the following information as required by law. If the default is not cured within the time allowed, the contract will be forfeited. Please read this Notice carefully. Please contact an attorney if you do not understand it.

A. Sellers and sellers' agent or attorney's name, address and telephone numbers are:

THE ESTATE OF HARLEY HARRIS,
Deceased
BEVERLY FINCHER, Administratrix
P. O. Box 600
Carson, WA 98610
(509) 427-4465

KIELPINSKI & LOURNE, P.C.
Attorneys at Law
27 Russell Street
P. O. Box 510
Stevenson, WA 98648
(509) 427-5665

and

THE ESTATE OF ORVILLE and
SHIRLEY P. HARRIS, Deceased
STEPHEN M. HARRIS, Administrator
1302 N.W. 62nd Street
Vancouver, WA 98663

B. Real Estate Contract dated June 20th, 1991, by and between THE ESTATE OF HARLEY HARRIS, Deceased, as to an undivided one-half interest, and THE ESTATE OF ORVILLE and SHIRLEY P. HARRIS, Deceased, as to an undivided one-half interest, as sellers, and HENRY H. PATTON and ANNE V. PATTON, husband and wife, as purchasers, recorded under Skamania County Auditor's File No. 111612 on July 18th, 1991, in Book 124 at page 172.

C. Legal description of property:

Northeast quarter of the Southwest quarter of Section 24, Township 3 North, Range 9 East of the Willamette Meridian in the County of Skamania and State of Washington, excepting that part North and East of a line 100 feet South and West of the "present State Highway" boundary line (meaning by the term "present State Highway" the location of the present County Road, formerly, and on the 2nd day of November, 1932, designated as State Highway No. 8), consisting of 32 acres, more or less.

SUBJECT TO any and all restrictions, reservations, easements and encumbrances appearing of record.

D. Description of each default under the contract on which this notice is based:

1. Failure to make payment of \$100,000.00 due on October 15, 1991, as agreed in the terms of the above-referenced Real Estate Contract.

E. This contract will be forfeited on May 26th, 1992, unless you cure all of the defaults set forth in this Notice on or before that date.

F. The forfeiture of this contract will result in the following:

1. All right, title and interest in the property of the purchaser and, to the extent elected by the sellers, of all persons claiming through the purchaser or whose interests are otherwise subordinate to the seller's interest in the property shall be terminated;
2. The purchasers' rights under the Contract shall be cancelled;
3. All sums previously paid under the Contract shall belong to and be retained by the sellers or other persons to whom paid and entitled thereto;
4. All improvements made to sellers and unharvested crops, if any, and timber, on the property shall belong to the sellers; and
5. The purchasers and all other persons occupying the property whose interests are forfeited shall be required to surrender possession of the property, improvements, and unharvested crops and timber to the sellers ten (10) days after the declaration of forfeiture is recorded.

G. Itemized statement of failure to make payments as follows:

<u>Dates</u>	<u>Amounts</u>
October 15, 1991	\$ 100,000.00

H. Itemized statement of other defaults, if any, and action required to cure:

NONE

I. Description and itemized statement of all other payments, fees and costs, if any, to cure the default:

<u>Description</u>	<u>Amounts</u>
Title Report	\$ 535.00
Copying charges	\$ 3.00
Attorney's fees	\$ 500.00
Long distance phone	\$ 10.00
Recording fee	\$ 9.00
Mailing charges	\$ 2.58

TOTAL \$ 1,059.58

J. The total amount required to cure the default is \$101,059.58, plus any payments or late charges which fall due after the date of this Notice and on or prior to the date the default is cured.

Payment required to cure the default must be delivered to:

KIELPINSKI & LOURNE, P.C.
Attorneys at Law
27 Russell Street
P. O. Box 510
Stevenson, WA 98648

K. You may have the right to contest the forfeiture, or to seek an extension of time to cure the default if the default does not involve a failure to pay money, or both, by commencing a court action by filing and serving the summons and complaint before the declaration of forfeiture is recorded.

L. You may have the right to request a court to order a public sale of the property. Such public sale will be ordered only if the court finds that the fair market value of the property substantially exceeds the debt owed under the contract and any other liens having priority over the sellers' interest in the property. The excess, if any, of the highest bid at the sale over the debt owed under the contract will be applied to the liens eliminated by the sale and the balance, if any, paid to the purchaser. The court will require the person who requests the sale to deposit the anticipated sale costs with the clerk of the court. Any action to obtain an order for public sale must be commenced by filing and serving the summons and complaint before the declaration of forfeiture is recorded.

M. The sellers are not required to give any person any other notice of default before the declaration which completes the forfeiture is given.

Date of this Notice: February 27th, 1992.

KIELPINSKI & LOURNE, P.C.

By


JAN C. KIELPINSKI of
Attorneys for Sellers

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve

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Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it or to the clerk of the superior court of the county in which the sale took place.

22. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

23. Substitute Trustee. In accordance with applicable law, Lender may from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. Use of Property. The Property is not used principally for agricultural or farming purposes.

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

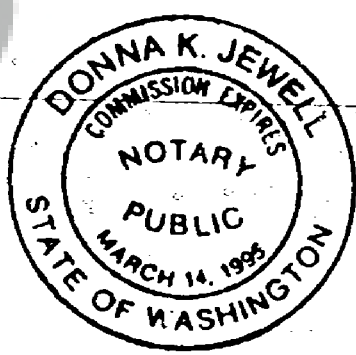
- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> V.A. Rider | <input type="checkbox"/> Other(s) [specify] | |

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

Terry D. Heinz (Seal)
TERRY D HEINZ Borrower

Melanie A. Heinz (Seal)
MELANIE A HEINZ Borrower



STATE OF WASHINGTON

County of Skamania

On this day personally appeared before me
TERRY D HEINZ MELANIE A HEINZ

to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that THEY signed the same as THEIR mentioned.

GIVEN under my hand and official seal this

21st day of JANUARY 1992

Donna K. Jewell
Notary Public in and for the State of Washington, residing at Stevenson

My Appointment Expires on 3-14-95

Re-filmed 2/28/92

(2) The value of Grantor's dwelling securing the indebtedness declines significantly below its appraised value for purposes of the Agreement.
(3) Credit Union reasonably believes that Grantor will not be able to meet the repayment requirements of the Agreement due to a material change in Grantor's financial circumstances.

- (4) Grantor(s) are in default under any material obligation of the Agreement and Deed of Trust.
(5) The maximum annual percentage rate under the Agreement is reached.
(6) Any government action prevents Credit Union from imposing the annual percentage rate provided for or impairs Credit Union's security interest such that the value of the interest is less than 120 percent of the credit line.
(7) Credit Union has been notified by government agency that continued advances would constitute an unsafe and unsound practice.

c. **Change in Terms.** The Agreement permits Credit Union to make certain changes to the terms of the Agreement at specified times or upon the occurrence of specified events.

14. Actions Upon Termination.

14.1 Remedies. Upon the occurrence of any termination and at any time thereafter, Trustee or Credit Union may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

(a) With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Credit Union shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

(b) With respect to all or any part of the Personal Property, Credit Union shall have all the rights and remedies of a secured party under the Uniform Commercial Code in effect in the state in which the Credit Union is located.

(c) Credit Union shall have the right, without notice to Grantor, to take possession of the Property and collect the income, including amounts past due and unpaid, and apply the net proceeds, over and above Credit Union's costs, against the Indebtedness. In furtherance of this right, Credit Union may require any tenant or other user to make payments of rent or use fees directly to Credit Union. If the income is collected by Credit Union, then Grantor irrevocably designates Credit Union as Grantor's attorney in fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Credit Union in response to Credit Union's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Credit Union may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

(d) Credit Union shall have the right to have a receiver appointed to take possession of any or all of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the income from the Property and apply the proceeds, over and above cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Credit Union's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Credit Union shall not disqualify a person from serving as a receiver.

(e) If Grantor remains in possession of the Property after the Property is sold as provided above or Credit Union otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at will of Credit Union or the purchaser of the Property and shall pay while in possession a reasonable rental for use of the Property.

(f) If the Real Property is submitted to unit ownership, Credit Union or its designee may vote on any matter that may come before the members of the association of unit owners, pursuant to the power of attorney granted Credit Union in Section 16.2.

(g) Trustee and Credit Union shall have any other right or remedy provided in this Deed of Trust, or the Note.

14.2 Sale of the Property. In exercising its rights and remedies, the Trustee or Credit Union, shall be free to sell all or any part of the Property together or separately, or to sell certain portions of the Property and refrain from selling other portions. Credit Union shall be entitled to bid at any public sale on all or any portion of the Property.

14.3 Notice of Sale. Credit Union shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten days before the time of the sale or disposition.

14.4 Waiver, Election of Remedies. A waiver by any party of a breach of a provision of this Deed of Trust shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by Credit Union to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Deed of Trust after failure of Grantor to perform shall not affect Credit Union's right to take actions on the indebtedness and exercise its remedies under this Deed of Trust.

14.5 Attorneys' Fees; Expenses. If Credit Union institutes any suit or action to enforce any of the terms of this Deed of Trust, Credit Union shall be entitled to recover such sum as the court may judge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Credit Union that are necessary at any time in Credit Union's opinion for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the rate of the Agreement. Expenses covered by this paragraph include (without limitation) all attorney fees incurred by Credit Union whether or not there is a lawsuit, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisal fees, title insurance, and fees for the Trustee. Attorney fees include those for bankruptcy proceedings and anticipated post-judgment collection actions.

15. Notice.

Any notice under this Deed of Trust shall be in writing and shall be effective when actually delivered or, if mailed, shall be deemed effective on the second day after being deposited as first-class registered or certified mail, postage prepaid, directed to the address stated in this Deed of Trust. Unless otherwise required by applicable law, any party may change its address for notices by written notice to the other parties. Credit Union requests that copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust be sent to Credit Union's address, as set forth on page one of this Deed of Trust. If the Property is in California, the notice shall be as provided by Section 2924b of the Civil Code of California. If this property is in Virginia, the following notice applies. NOTICE -- THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

16. Miscellaneous.

16.1 Successors and Assigns. Subject to the limitations stated in this Deed of Trust on transfer of Grantor's interest, and subject to the provisions of applicable law with respect to successor trustees, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns.

16.2 Unit Ownership Power of Attorney. If the Real Property is submitted to unit ownership, Grantor grants an irrevocable power of attorney to Credit Union to vote in its discretion on any matter that may come before the members of the association of unit owners. Credit Union shall have the right to exercise this power of attorney only after default by Grantor and may decline to exercise this power, as Credit Union may see fit.

16.3 Annual Reports. If the Property is used for purposes other than grantor's residence, within 60 days following the close of each fiscal year of Grantor, Grantor shall furnish to Credit Union a statement of net operating income received from the Property during Grantor's previous fiscal year in such detail as Credit Union shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

16.4 Applicable Law. The law of the state in which the Property is located shall be applicable for the purpose of construing and determining the validity of this Deed of Trust and, determining the rights and remedies of Credit Union on default.

16.5 Joint and Several Liability. If Grantor consists of more than one person or entity, the obligations imposed upon Grantor under this Deed of Trust shall be joint and several.

16.6 Time of Essence. Time is of the essence of this Deed of Trust.

16.7 Use.

- (a) If located in Idaho, the Property either is not more than twenty acres in area or is located within an incorporated city or village.
(b) If located in Washington, the Property is not used principally for agricultural or farming purposes.
(c) If located in Montana, the Property does not exceed fifteen acres and this instrument is a Trust indenture executed in conformity with the Small Tract Financing Act of Montana.
(d) If located in Utah, this instrument is a Trust Deed executed in conformity with the Utah Trust Deed Act, UCA 57-1-19 et seq.

16.8 Waiver of Homestead Exemption. Borrower hereby waives the benefit of the homestead exemption as to all sums secured by this Deed of Trust.

16.9 Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Credit Union in any capacity, without the written consent of Credit Union.

16.10 Substitute Trustee. Credit Union, at Credit Union's option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Credit Union and recorded in the office of the Recorder of the county where the Property is located. The instrument shall contain the name of the original Credit Union, Trustee, and Borrower, the book and page where this Deed of Trust is recorded, and the name and address of the successor trustee. The successor trustee shall, without conveyance of the Property, succeed to all the title, powers, and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

16.11 Statement of Obligation. If the Property is in California, Credit Union may collect a fee not to exceed \$50 for furnishing the statement of obligation as provided by Section 2943 of the Civil Code of California.

16.12 Severability. If any provision in this Deed of Trust shall be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired.

17. Prior Indebtedness.

17.1 Prior Lien. The lien securing the Indebtedness secured by this Deed of Trust is and remains secondary and inferior to the lien securing payment of a prior obligation in the form of a:

(Check which Applies)

_____ Trust Deed

Other (Specify) _____

_____ Mortgage

_____ Land Sale Contract

The prior obligation has a current principal balance of \$ _____ and is in the original principal amount of \$ _____

Grantor expressly covenants and agrees to pay or see to the payment of the prior indebtedness and to prevent any default thereunder.

17.2 Default. If the payment of any installment of principal or any interest on the prior indebtedness is not made within the time required by the Agreement evidencing such indebtedness, or should an event of default occur under the instrument securing such indebtedness and not be cured during any applicable grace period therein, then your action or inaction shall entitle the Credit Union to terminate and accelerate the indebtedness and pursue any of its remedies under this Deed of Trust.

17.3 No Modifications. Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Credit Union. Grantor shall neither request nor accept any future advances under a prior mortgage, deed of trust, or other security agreement without the prior written consent of Credit Union.

GRANTOR:

GRANTOR:

Gerry E. Osborne

Re-filmed 2/25/92