

d. Purchaser further agrees that no prepayment of principal or interest, in whole or in part, shall be permitted at any time within five (5) years from the date of closing; i.e., before May 17, 2001.

2. Purchaser agrees to pay \$25.00 as reasonable liquidated damages, and not as a penalty, in the event that any regularly scheduled payment is made after the due date. Such reasonable liquidated damages are not intended to impair the Seller's rights in the event of default as set out hereinbelow.

3. All payments to be made hereunder shall be made at P.O. Box 510, Stevenson, Washington 98648, or at such other place as the Seller may direct in writing.

4. As referred to in this contract, "date of closing" shall be May 17, 1996.

#### Taxes and Assessments

5. The Purchaser assumes and agrees to pay before delinquency all taxes and assessments, including but not limited to any governmental improvement assessments or charges that may as between grantor and grantee hereafter become a lien on said real estate. Upon request by Seller, Purchaser will show proof of said payments.

#### Inspection

6. The Purchaser agrees that full inspection of said real estate has been made and that neither the Seller nor his assigns shall be held to any covenant respecting the condition of any improvements thereon nor shall the Purchaser or Seller or the assigns of either be held to any covenant or agreement for alterations, improvements or repairs unless the covenant or agreement relied on is contained herein or is in writing and attached to and made a part of this contract.

a. The Purchaser is acquiring the property "as is" and Seller makes no representations or warranties except as to title as set forth herein. Without limiting the generality of the foregoing, Purchaser acknowledges that he has made his own independent investigation respecting the property and will be relying entirely thereon and on the advice of any consultant he may retain. Purchaser may not rely upon any representation of any party whether or not such party purports to act on behalf of Seller, unless the representation is expressly set forth therein or in a subsequent document executed by Seller. All representations, warranties, understandings and agreements between the parties are merged herein and shall not survive closing.

Inspection of Premises and Miscellaneous Provisions

7. Purchaser agrees that a full inspection of the premises has been made and both parties agree that prior to date of closing the Seller will perform the following maintenance and construction items: None

Taking

8. The Purchaser assumes all risk hereafter placed on said real estate or of the taking of said real estate or any part thereof for public use and agrees that any such taking shall not constitute a failure of consideration. In case any part of said real estate is taken for public use, the portion of the condemnation award remaining after payment of reasonable expenses of procuring the same shall be paid to the Seller and applied as payment on the purchase price herein unless the Seller agrees in writing to allow the Purchaser to apply all or a portion of such condemnation award to the rebuilding or restoration of any improvements damaged by such taking.

Insurance

9. The Purchaser agrees to keep any improvements or future improvements located on the property insured against loss or damage by fire, windstorm, and all other casualties covered by "all risk" or extended coverage endorsements available in the State of Washington in an amount equal to the full insurable value thereof, on the initial and renewal policy dates, with a company acceptable to the Seller and with loss payable first to Seller as his interest may appear, and to pay all premiums for such insurance and deliver all policies and renewals thereof to the Seller. All such policies shall provide that they cannot be amended or canceled without ten (10) days written notice to Seller.

Title Insurance

10. The Seller has delivered, or agrees to deliver within fifteen (15) days of the date of closing, a purchaser's policy of title insurance in standard form, or a commitment therefor, insuring the Purchaser to the full amount of said purchase price against loss or damage by reason of defect in Seller's title to said real estate as of the date of closing and containing no exceptions other than the following:

- a. Printed general exceptions appearing in said policy form;
- b. Liens or encumbrances which by the terms of this contract the Purchaser is to assume, or as to which the conveyance hereunder is to be made subject; and

- c. Any existing contract or contracts under which Seller is purchasing said real estate, and any mortgage or other obligation, which Seller by this contract agrees to pay, none of which for the purpose of this paragraph shall be deemed defects in Seller's title.

11. If Seller's title to said real estate is subject to an existing contract or contracts under which Seller is purchasing said real estate, or any mortgage or other obligation which Seller is to pay, Seller agrees to make such payments in accordance with the terms thereof, and upon default the Purchaser shall have the right to make any payments necessary to remove the default, and any payments so made shall be applied to the payments next falling due the Seller under this contract.

#### Deed

12. The Seller agrees, upon receiving full payment of the purchase price and interest in the manner above specified, to execute and deliver to Purchaser a statutory warranty fulfillment deed to said real estate, excepting any part thereof hereafter taken for public use, free of encumbrances except any that may attach after date of closing through any person other than the Seller, and subject to the exceptions noted in the paragraph concerning title insurance.

#### Possession

13. Unless a different date is provided for herein, the Purchaser shall be entitled to possession of said real estate on the date of closing and to retain possession so long as Purchaser is not in default hereunder. The Purchaser covenants to keep any improvements on said real estate in good repair, not to permit waste and not to use, or permit the use of, the real estate for any illegal purpose. The Purchaser covenants to pay all service, installation or construction charges for water, sewer, electricity, garbage or other utility services furnished to said real estate after the date Purchaser is entitled to possession.

#### Use of Premises

14. Purchaser covenants and agrees to make or permit no unlawful, offensive or improper use of the premises or any part thereof.

#### Assignment

15. The rights hereby granted are personal to the Purchaser and Seller's reliance upon Purchaser's ability and integrity is a part of the consideration for this contract. Neither this contract nor any interest therein, nor the possession of the property, may be assigned or transferred by Purchaser, nor shall Purchaser make or enter into any contract for the sale of the property or any



interest therein, without the prior written consent of Seller, which consent shall not be unreasonably withheld.

#### Default

16. In case the Purchaser fails to make any payment herein provided, the Seller may make such payment, and any amounts so paid by Seller, together with interest at the rate of 12% per annum thereon from date of payment until repaid, shall be repayable by Purchaser on Seller's demand, all without prejudice to any other right the Seller might have by reason of such default.

17. Time and the covenants of Purchaser are of the essence of this contract, and it is agreed that in case the Purchaser shall fail to comply with or perform any condition or agreement hereof or to make any payment required hereunder promptly at the time and in the manner herein required, the Seller may at his option exercise any of the following alternative remedies upon giving Purchaser thirty (30) days written notice specifying the default and the remedy to be exercised should Purchaser fail to cure all defaults at the expiration of the 30-day period:

- a. Suit for Delinquencies. Seller may institute suit for any installments or other sums then due and payable under this agreement together with any sums advanced by seller for and the amount of any delinquencies for items such as water assessments, taxes, insurance, payments and underlying obligations and lienable items, together with interest thereon at the rate of 12% per annum from the date each such payment was advanced or due, as the case may be.
- b. Forfeiture and Repossession. The Seller may cancel and render void all rights, title and interests of the Purchaser and his 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 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 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 Seller and the Seller 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 proceeding 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.

- c. Specific Performance. Seller may institute suit to specifically enforce any of the Purchaser's covenants hereunder.
- d. 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 Seller, and the Purchaser shall thereafter remain in possession of the property beyond any period otherwise permitted by law, the Purchaser agrees that he will occupy the property as a tenant at will, and the Purchaser 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.

The waiver of Seller to elect to pursue any of the above remedies at any time upon a breach of any of the terms of this contract by the Purchaser shall be deemed only an indulgence by the Seller with regard to that particular breach and shall not be construed, in any manner whatsoever, to be a waiver of any right of Seller to pursue any of the above remedies for the same or a different breach at a subsequent time; election of the Seller to utilize any particular remedy to enforce a breach of this contract shall not preclude Seller from electing to use an alternate remedy to enforce a subsequent breach. The remedies stated herein are cumulative and not mutually exclusive. Any delay or failure of

Seller to take action upon default shall not be construed as a waiver of said default. If Seller is required to institute legal



action to enforce any of the remedies indicated, Purchaser agrees to pay Seller's costs and reasonable attorneys' fees incurred in such proceeding and any appeal thereof.

#### Purchaser's Remedies

18. In the event Seller should default in any of his obligations under this contract and such default continues for fifteen (15) days after the Purchaser gives the Seller 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 his damages caused by such default, or pursue any other remedy which may be available to Purchaser at law or in equity.

#### Notice

19. Any notice, declaration, demand, consent or communication to be given by any party to this contract to any other party shall be in writing and transmitted to the other party by either personally delivering the notice or by certified or registered mail, return receipt requested, addressed as follows:

To Purchaser: Debbie Sullivan  
P.O. Box 170  
North Bonneville WA 98639

To Seller: Jan C. and Penelope A. Kielpinski  
c/o Kielpinski & Associates, P.C.  
P.O. Box 510  
Stevenson WA 98648

Either party may change its address by giving written notice to the other party in the manner provided above, provided that in no event shall Seller be required to send any notice to more than two (2) addresses. The mailing and registering or certifying of any such notice as herein provided shall be sufficient service thereof. Service shall be complete when such notice is registered or certified and placed in the United States mail as shown by the cancellation stamp or postage meter stamp, as the case may be.

#### Costs and Attorneys' Fees

20. 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 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, notice expenses, title search expenses, and reasonable attorneys' fees (with or without arbitration or litigation). 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 its court costs and reasonable attorneys' fees, including such costs and fees as 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.

#### Succession

21. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

#### Governing Law

22. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington.

#### Use of Pronouns

23. Unless the context requires otherwise, references to the singular shall include the plural and references to the plural shall include the singular. Unless some other meaning or intent is apparent from the context, masculine, feminine and neuter pronouns are used interchangeably herein.

#### Entire Agreement

24. This Agreement supersedes any prior agreement and contains the entire agreement of the parties as to the matter covered. No other agreement, statement or promise made by any party or to any employee or agent of any party shall be binding unless made in writing and signed by both parties to this Agreement.

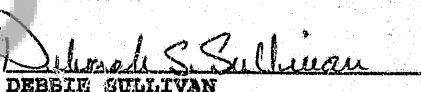
IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date first written above.

SELLER:

  
JAN C. KIELPINSKI

  
PENELOPE A. KIELPINSKI

PURCHASER:

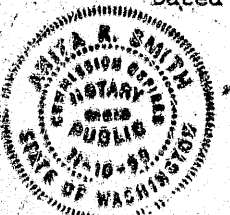
  
DEBBIE SULLIVAN

Deborah S. Sullivan  
a/k/a Debbie Sullivan

STATE OF WASHINGTON )  
 ) ss  
 County of Skamania )

I certify that I know or have satisfactory evidence that Jan C. Kielpinski and Penelope A. Kielpinski are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 7th day of June, 1996.

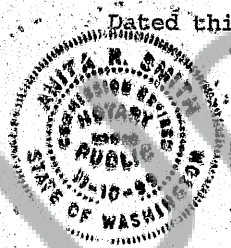


Anita R. Smith  
 Print: ANITA R. SMITH  
 Notary Public in and for the  
 State of Washington  
 Commission expires 11/10/99

STATE OF WASHINGTON )  
 ) ss  
 County of Skamania )

I certify that I know or have satisfactory evidence that Debbie Sullivan is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument. \*Deborah S. Sullivan aka Debbie Sullivan.

Dated this 17th day of May, 1996.



Anita R. Smith  
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 State of Washington  
 Commission expires 11/10/99