

BOOK 193 PAGE 203

FILES TOP RECORD
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BY *Mike Reinhart* for
Chicago Title
SEP 15 12 20 PM '99
DeLoory
GARY H. OLSON

REAL ESTATE EXCISE TAX

20414

SEP 15 1999

PAID 3960.00

SKAMANIA COUNTY TREASURER

ORDER NO.: K113577JB

**REAL ESTATE CONTRACT
(RESIDENTIAL SHORT FORM)**

Abbreviated Legal: Section 31, Township 2 North, Range 5 East

4 2 0 6 7 1 2

Date 9/15/99 ~~File~~ # 2-5-31-3-300, 400

(c)

PAYMENT OF AMOUNT FINANCED BY SELLER.

Buyer agrees to pay the sum of \$ 500,000.00 as follows:
 \$ 5,000.00 or more at buyer's option on or before the 15th day of
October, 19 99, including interest from 9/15/99 at the rate of
 (including p.i.us)
.7 % per annum on the declining balance thereof; and a like amount or more on or before
15th day of each anc. every month thereafter until
 paid in full. (month/year)

Note: Fill in the date in the following two lines only if there is an early cash out date.

NOTWITHSTANDING THE ABOVE, THE ENTIRE BALANCE OF PRINCIPAL AND INTEREST IS DUE IN FULL
 NOT LATER THAN September 15, 2004

Payments are applied first to interest and then to principal. Payments shall be made at
5555 E. Evergreen Blvd., #208, Vancouver, WA 98661
 or such other place as the Seller may hereafter indicate in writing.

5. **FAILURE TO MAKE PAYMENTS ON ASSUMED OBLIGATIONS.** If Buyer fails to make any payments on assumed obligation(s), Seller may give written notice to Buyer that unless Buyer makes the delinquent payment(s) within fifteen (15) days, Seller will make the payment(s), together with any late charge, additional interest, penalties, and costs assessed by the Holder of the assumed obligation(s). The 15-day period may be shortened to avoid the exercise of any remedy by the Holder of the assumed obligation(s). Buyer shall immediately after such payment by Seller reimburse Seller for the amount of such payment plus a late charge equal to five percent (5%) of the amount so paid plus all costs and attorney fees incurred by Seller in connection with making such payment.

6. (a) **OBLIGATIONS TO BE PAID BY SELLER.** The Seller agrees to continue to pay from payments received hereunder the following obligation, which obligation must be paid in full when Buyer pays the purchase price in full:
 That certain _____ dated _____, recorded as
 (Mortgage, Deed of Trust, Contract)
 AF#: _____

ANY ADDITIONAL OBLIGATIONS TO BE PAID BY SELLER ARE INCLUDED IN ADDENDUM.

(b) **EQUITY OF SELLER PAID IN FULL.** If the balance owed the Seller on the purchase price herein becomes equal to the balance owed on prior encumbrances being paid by Seller, Buyer will be deemed to have assumed said encumbrances as of that date. Buyer shall thereafter make payments directly to the holders of said encumbrances and make no further payments to Seller. Seller shall at that time deliver to Buyer a fulfillment deed in accordance with the provisions of Paragraph 8.

(c) **FAILURE OF SELLER TO MAKE PAYMENTS ON PRIOR ENCUMBRANCES.** If Seller fails to make any payments on any prior encumbrance, Buyer may give written notice to Seller that unless Seller makes the delinquent payments within 15 days, Buyer will make the payments together with any late charge, additional interest, penalties, and costs assessed by the holder of the prior encumbrances. The 15-day period may be shortened to avoid the exercise of any remedy by the holder of the prior encumbrance. Buyer may deduct the amounts so paid plus a late charge of 5% of the amount so paid and any attorneys' fees and costs incurred by Buyer in connection with the delinquency from payments next becoming due Seller on the purchase price. In the event Buyer makes such delinquent payments on three occasions, Buyer shall have the right to make all payments due thereafter directly to the holder of such prior encumbrance and deduct the then balance owing on such prior encumbrance from the then balance owing on the purchase price and reduce periodic payments on the balance due Seller by the payments called for in such prior encumbrance as such payments become due.

7. **OTHER ENCUMBRANCES AGAINST THE PROPERTY.** The property is subject to encumbrances including the following listed tenancies, easements, restrictions and reservations in addition to the obligations assumed by Buyer and the obligations being paid by Seller:

ANY ADDITIONAL NON-MONETARY ENCUMBRANCES ARE INCLUDED IN ADDENDUM.

8. **FULFILLMENT DEED.** Upon payment of all amounts due Seller, Seller agrees to deliver to Buyer a Statutory Warranty Deed in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrances assumed by Buyer or to defects in title arising subsequent to the date of this Contract by, through or under persons other than the Seller herein. Any personal property included in the sale shall be included in the fulfillment deed.

9. **LATE CHARGES.** If any payment on the purchase price is not made within ten (10) days after the date it is due, Buyer agrees to pay a late charge equal to 5% of the amount of such payment. Such late payment charge shall be in addition to all other remedies available to Seller and the first amounts received from Buyer after such late charges are due shall be applied to the late charges.

10. **NO ADVERSE EFFECT ON PRIOR ENCUMBRANCES.** Seller warrants that entry into this Contract will not cause in any prior encumbrance (a) a breach, (b) accelerated payments, or (c) an increased interest rate; unless (a), (b) or (c) has been consented to by Buyer in writing.

11. **POSSESSION.** Buyer is entitled to possession of the property from and after the date of this Contract, or _____ recording _____, 19 _____, whichever is later, subject to any tenancies described in Paragraph 7.

- 12. TAXES, ASSESSMENTS AND UTILITY LIENS.** Buyer agrees to pay by the date due all taxes and assessments becoming a lien against the property after the date of this Contract. Buyer may in good faith contest any such taxes or assessments so long as no forfeiture or sale of the property is threatened as the result of such contest. Buyer agrees to pay when due any utility charges which may become liens superior to Seller's interest under this Contract. If real estate taxes and penalties are assessed against the property subsequent to date of this Contract because of a change in use prior to the date of this Contract for Open Space, Farm, Agricultural, or Timber classifications approved by the County or because of a Senior Citizen's Declaration to Defer Property Taxes filed prior to the date of this Contract, Buyer may demand in writing payment of such taxes and penalties within 30 days. If payment is not made, Buyer may pay and deduct the amount thereof plus 5% penalty from the payments next becoming due Seller under the Contract.
- 13. INSURANCE.** Buyer agrees to keep all buildings now or hereafter erected on the property described herein continuously insured under fire and extended coverage policies in an amount not less than the balances owed on obligations assumed by Buyer plus the balance due Seller, or full insurable value, whichever is lower. All policies shall be held by the Seller and be in such companies as the Seller may approve and have loss payable first to any holders of underlying encumbrances, then to Seller as their interests may appear and then to Buyer. Buyer may within 30 days after loss negotiate a contract to substantially restore the premises to their condition before the loss. If the insurance proceeds are sufficient to pay the contract price for restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless the underlying encumbrances provide otherwise. Otherwise the amount collected under any insurance policy shall be applied upon any amounts due hereunder in such order as the Seller shall determine. In the event of forfeiture, all rights of Buyer in insurance policies then in force shall pass to Seller.
- 14. NONPAYMENT OF TAXES, INSURANCE AND UTILITIES CONSTITUTING LIENS.** If Buyer fails to pay taxes or assessments, insurance premiums or utility charges constituting liens prior to Seller's interest under this Contract, Seller may pay such items and Buyer shall forthwith pay Seller the amount thereof plus a late charge of 5% of the amount thereof plus any costs and attorney's fees incurred in connection with making such payment.
- 15. CONDITION OF PROPERTY.** Buyer accepts the property in its present condition and acknowledges that Seller, his agents and subagents have made no representation or warranty concerning the physical condition of the property or the uses to which it may be put other than as set forth herein. Buyer agrees to maintain the property in such condition as complies with all applicable laws.
- 16. RISK OF LOSS.** Buyer shall bear the risk of loss for destruction or condemnation of the property. Any such loss shall not relieve Buyer from any of Buyer's obligations pursuant to this Contract.
- 17. WASTE.** Buyer shall keep the property in good repair and shall not commit or suffer waste or willful damage to or destruction of the property. Buyer shall not remove commercial timber without the written consent of Seller.
- 18. AGRICULTURAL USE.** If this property is to be used principally for agricultural purposes, Buyer agrees to conduct farm and livestock operations in accordance with good husbandry practices. In the event a forfeiture action is instituted, Buyer consents to Seller's entry on the premises to take any reasonable action to conserve soil, crops, trees and livestock.
- 19. CONDEMNATION.** Seller and buyer may each appear as owners of an interest in the property in any action concerning condemnation of any part of the property. Buyer may within 30 days after condemnation and removal of improvements, negotiate a contract to substantially restore the premises to their condition before the removal. If the condemnation proceeds are sufficient to pay the contract price for restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless underlying encumbrances provide otherwise. Otherwise, proceeds of the award shall be applied in payment of the balance due on the purchase price, as Seller may direct.
- 20. DEFAULT.** If the Buyer fails to observe or perform any term, covenant or condition of this Contract, Seller may:
- (a) Suit for Installments. Sue for any delinquent periodic payment; or
 - (b) Specific Performance. Sue for specific performance of any of Buyer's obligations pursuant to this Contract; or
 - (c) Forfeit Buyer's Interest. Forfeit this Contract pursuant to Ch. 61.30 RCW, as it is presently enacted and may hereafter be amended. The effect of such forfeiture includes: (i) all right, title and interest in the property of the Buyer and all persons claiming through the Buyer shall be terminated; (ii) the Buyer's rights under the Contract shall be canceled; (iii) all sums previously paid under the Contract shall belong to and be retained by the Seller or other person to whom paid and entitled thereto; (iv) all improvements made to and unharvested crops on the property shall belong to the Seller; and (v) Buyer shall be required to surrender possession of the property, improvements and unharvested crops to the Seller 10 days after the forfeiture.
 - (d) Acceleration of Balance Due. Given Buyer written notice demanding payment of said delinquencies and payment of a late charge of 5% of the amount of such delinquent payments and payment of Seller's reasonable attorney's fees and costs incurred for services in preparing and sending such Notice and stating that if payment pursuant to said Notice is not received within 30 days after the date said Notice is either deposited in the mail addressed to the Buyer or personally delivered to the Buyer, the entire balance owing, including interest, will become immediately due and payable. Seller may thereupon institute suit for payment of such balance, interest, late charge and reasonable attorneys' fees and costs.
 - (e) Judicial Foreclosure. Sue to foreclose this Contract as a mortgage, in which event Buyer may be liable for a deficiency.
- 21. RECEIVER.** If Seller has instituted any proceedings specified in Paragraph 20 and Buyer is receiving rental or other income from the property, Buyer agrees that the appointment of a receiver for the property is necessary to protect Seller's interest.
- 22. BUYER'S REMEDY FOR SELLER'S DEFAULT.** If Seller fails to observe or perform any term, covenant or condition of this Contract, Buyer may, after 30 days' written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured

23. NON-WAIVER. Failure of either party to insist upon strict performance of the other party's obligations hereunder shall not be construed as a waiver of strict performance thereafter of all of the other party's obligations hereunder and shall not prejudice any remedies as provided herein.

24. ATTORNEYS' FEES AND COSTS. In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorney's fees and costs, including costs of service of notices and title searches, incurred by the other party. The prevailing party in any suit instituted arising out of this Contract and in any forfeiture proceedings arising out of this Contract shall be entitled to receive reasonable attorney's fees and costs incurred in such suit or proceedings.

25. NOTICES. Notices shall be either personally served or shall be sent certified mail, return receipt requested and by regular first class mail to Buyer at 9001 S.E. Evergreen Hwy, Vancouver, WA 98664

5555 E. Evergreen Blvd., #208, Vancouver, WA 98661, and to Seller at _____, or such other addresses as either party may specify in writing to the other party. Notices shall be deemed given when served or mailed. Notice to Seller shall also be sent to any institution receiving payments on the Contract.

26. TIME FOR PERFORMANCE. Time is of the essence in performance of any obligations pursuant to this Contract.

27. SUCCESSORS AND ASSIGNS. Subject to any restrictions against assignment, the provisions of this Contract shall be binding on the heirs, successors and assigns of the Seller and the Buyer.

28. OPTIONAL PROVISION -- SUBSTITUTION AND SECURITY ON PERSONAL PROPERTY. Buyer may substitute for any personal property specified in Paragraph 3 herein other personal property of like nature which Buyer owns free and clear of any encumbrances. Buyer hereby grants Seller a security interest in all personal property specified in Paragraph 3 and future substitutions for such property and agrees to execute a financing statement under the Uniform Commercial Code reflecting such security interest.

SELLER

INITIALS

BUYER

29. OPTIONAL PROVISION -- ALTERATIONS. Buyer shall not make any substantial alteration to the improvements on the property without the prior written consent of Seller, which consent will not be unreasonably withheld.

SELLER

INITIALS

BUYER

30. OPTIONAL PROVISION -- DUE ON SALE. If Buyer, without written consent of Seller, (a) conveys, (b) sells, (c) leases, (d) assigns, (e) contracts to convey, sell, lease or assign, (f) grants an option to buy the property, (g) permits a forfeiture or foreclosure or trustee or sheriff's sale of any of the Buyer's interest in the property or this Contract, Seller may at any time thereafter either raise the interest rate on the balance of the purchase price or declare the entire balance of the purchase price due and payable. If one or more of the entities comprising the Buyer is a corporation, any transfer or successive transfers in the nature of items (a) through (g) above of 49% or more of the outstanding capital stock shall enable Seller to take the above action. A lease of less than 3 years (including options for renewals), a transfer to a spouse or child of Buyer, a transfer incident to a marriage dissolution or condemnation, and a transfer by inheritance will not enable Seller to take any action pursuant to this Paragraph; provided the transferee other than a condemnor agrees in writing that the provisions of this paragraph apply to any subsequent transaction involving the property entered into by the transferee.

SELLER

INITIALS

BUYER

31. OPTIONAL PROVISION -- PRE-PAYMENT PENALTIES ON PRIOR ENCUMBRANCES. If Buyer elects to make payments in excess of the minimum required payments on the purchase price herein, and Seller, because of such prepayments, incurs prepayment penalties on prior encumbrances, Buyer agrees to forthwith pay Seller the amount of such penalties in addition to payments on the purchase price.

SELLER

INITIALS

BUYER

32. OPTIONAL PROVISION -- PERIODIC PAYMENTS ON TAXES AND INSURANCE. In addition to the periodic payments on the purchase price, Buyer agrees to pay Seller such portion of the real estate taxes and assessments and fire insurance premium as will approximately total the amount due during the current year based on Seller's reasonable estimate.

The payments during the current year shall be \$ _____ per _____.
Such "reserve" payments from Buyer shall not accrue interest. Seller shall pay when due all real estate taxes and insurance premiums, if any, and debit the amounts so paid to the reserve account. Buyer and Seller shall adjust the reserve account in April of each year to reflect excess or deficit balances and changed costs. Buyer agrees to bring the reserve account balance to a minimum of \$10 at the time of adjustment.

SELLER

INITIALS

BUYER

33. ADDENDA. Any addenda attached hereto are a part of this Contract.

34. ENTIRE AGREEMENT. This Contract constitutes the entire agreement of the parties and supersedes all prior agreements and understandings, written or oral. This Contract may be amended only in writing executed by Seller and Buyer.

IN WITNESS WHEREOF the parties have signed and sealed this Contract the day and year first above written.

SELLER

THE BACHMAN FAMILY TRUST

BY: ELEANOR M. BACHMAN, TRUSTEE

BY:

BUYER

BY: GARY OSTENSON

BY: DANA OSTENSON

STATE OF WASHINGTON)

COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that Gary Ostenson and Dana Ostenson the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 9/13/99

Gary M. Reinhart
Notary Public in and for the State of Washington,
Residing at Canon
My appoint expires: 5-1-2002

GARY M. REINHART
STATE OF WASHINGTON
NOTARY -- PUBLIC
My Commission Expires May 01, 2003

THE ABOVE SPACE RESERVED FOR NOTARY SEAL

STATE OF WASHINGTON)

COUNTY OF _____) ss.

I certify that I know or have satisfactory evidence that the person(s) who appeared before me, and said person(s) acknowledged that they signed this instrument and acknowledged it to be free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: _____

Notary Public in and for the State of Washington,
Residing at _____
My appoint expires: _____

LPS-44 11/96
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THE ABOVE SPACE RESERVED FOR NOTARY SEAL

EXHIBIT "A"

PARCEL I

All that portion of the Southwest Quarter of the Southwest Quarter, and of the Southeast Quarter of the Southwest Quarter and the Northwest Quarter of the Southwest Quarter all in Section 31, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington, lying Southerly and Westerly of the Center of the Washougal River.

PARCEL II

Gary H. Martin, Skamania County Assessor

Date 9/15/99 Parcel # 2-5-31-3-300, 400

A Tract of land in the West Half of the Southwest Quarter of Section 31, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

BEGINNING at a point 300 feet West, more or less, to a witness tree under which an iron stake is set from the East side of the 20 acre tract of land conveyed to J.E. Snyder by John H. Morgan on May 10, 1911, and recorded in Book N of Deeds, Page 154, Skamania County Deed Record, where the State Road crosses the said East Line of above described 20 acre tract of land; running thence South from said witness tree to the center of the Washougal River and thence up the center of the Washougal to the Southeast Corner of the 20 acre tract of land conveyed to Snyder on May 10, 1911; thence North along the East Line of said 20 acre tract to a point where the State Road crosses said 20 acre tract and thence West following State Road 300 feet, more or less, to the witness tree above described, and being THE POINT OF BEGINNING.

EXCEPT State Highway 140.

ALSO except that portion conveyed to Frederick D. Morgan by instrument recorded in Book 62, Page 648.

ALSO except that portion lying with Malheur River Front Tracts, recorded in Book A of Plats, Page 123.

ALSO except Lots 1 and 3 of the Short Plat recorded in Book 3 of Short Plats, Page 203.

SUBJECT TO:

1. TAXES AND ASSESSMENTS AS THEY BECOME DUE AND PAYABLE.
2. Potential Taxes, Penalties and interest incurred by reason of a change in the use or withdrawal from classified use of the herein described property. Notice of approval of such classified use, was given by the Skamania County Assessor, and is disclosed on the Tax Roll.
3. Rights of others thereto entitled in and to the continued uninterrupted flow of Washougal River, and rights of upper and lower riparian owners in and to the use of the waters and the natural flow thereof.
4. Any adverse claims based upon the assertion that Washougal River has moved.
5. We find no recorded access for this property and therefor can not insure access at this time. (AFFECTS TAX LOT 300)

STATE OF WASHINGTON

ss.

COUNTY OF CLARK

On this day 13th of September, 1999, before me, the undersigned, A Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Eleanor M. Bachman to me known to be the Trustee of The Bachman Family Trust the entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of the said entity, for the uses and purposes therein mentioned, and on oath stated that she is ~~is~~ authorized to execute the said instrument on behalf of the said entity.

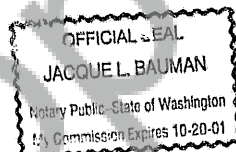
WITNESS my hand and official seal hereto affixed the day and year in the certificate above written.

Jacque L. Bauman
Jacque L. Bauman
 Signature of Notary Public

Notary Public in and for the State of Washington,

Residing at Vancouver

My Commission Expires: 10-20-01



Acknowledgment - Corporation - Trust or - Partnership

ADDENDUM TO REAL ESTATE CONTRACT

This Addendum is entered into this 13 day of September, 1999 by and between Eleanor M. Bachman, Trustee of THE BACHMAN FAMILY TRUST ("Seller") and GARY OSTENSON and DANA OSTENSON, husband and wife ("Buyer") and amends that certain Real Estate Contract dated August 20, 1999 between the parties in the following manner:

1. Section 12 of the Contract is amended to provide that Buyer shall apply for and execute a continuance of the "current use" (designated forestlands) classification for real property tax deferral with Skamania County, WA, at closing. Thereafter, Buyer shall maintain such "current use" designation for the real property for the term of this Contract and shall comply with all Skamania County requirements for such continuation. Buyer's failure to maintain the "current use" designation shall be a default under this Contract. In the event Buyer fails to maintain the "current use" designation during the term of this Contract, or in the event Buyer revokes the "current use" designation at any time after the term of this Contract, Buyer shall be solely responsible for the payment of all back property taxes, interest and penalties.

Buyer shall provide proof of payment of real property taxes together with a copy of the property tax statements to Seller during the term of this Contract.

2. Buyer and Seller shall set up a collection escrow for the payment of the monthly payments due under this Contract. The cost of the collection escrow shall be split between Buyer and Seller.

3. Section 17 of the Contract is amended to provide that Buyer shall not remove any timber from the property (commercial or otherwise) during the term of the Contract without the Seller's prior written consent.

4. Except as amended herein, all other terms and conditions of the Real Estate Contract shall continue in full force and effect.

SELLER:

The Bachman Family Trust

Eleanor M. Bachman
By: Eleanor M. Bachman, Trustee

BUYER:

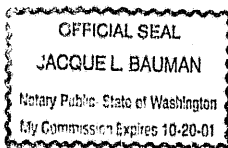
Gary Ostenson
GARY OSTENSON

Dana Ostenson
DANA OSTENSON

STATE OF WASHINGTON)
) ss.
 County of Clark)

I certify that I know or have satisfactory evidence that Eleanor M. Bachman is the person who appeared before me and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Trustee of The Bachman Family Trust, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 9-14, 1999



Jacquie L. Bauman
Jacquie L. Bauman

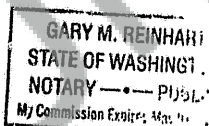
Notary Public in and for the
 State of Washington, residing
 At Clark County.

My appointment expires: 10-20-01

STATE OF WASHINGTON)
) ss.
 County of Clark)

I certify that I know or have satisfactory evidence that Gary Ostenson signed this instrument and acknowledged it to be his free and voluntary act for the purposes mentioned in the instrument.

DATED: 9/13, 1999



Gary M. Reinhardt

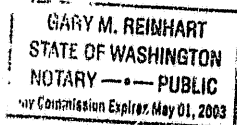
Notary Public in and for the
 State of Washington, residing
 At Clark County.

My appointment expires: 5-1-2003

STATE OF WASHINGTON)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that Dana Ostenson signed this instrument and acknowledged it to be her free and voluntary act for the purposes mentioned in the instrument.

DATED: 9-13-99, 1999



Gary M. Reinhart

Notary Public in and for the
State of Washington, residing
At Clark County.

My appointment expires: 5-1-2003

ADDENDUM TO REAL ESTATE CONTRACT - 3

LAW OFFICES OF
LANDERHOLM, MEMOVICH,
LANSVERK & WHITESIDES, P.S.
915 Broadway
P.O. Box 1085
Vancouver, Washington 98666
(360) 696-3312