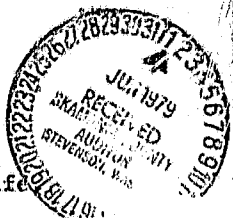


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REAL ESTATE CONTRACT

3-10-76-1502



THIS CONTRACT, made and entered into this 31st day of May, 1979,

between JAMES E. STAMBEK and PATRICIA A. STAMBEK, husband and wife,

hereinafter called the "seller," and ROBERT G. PAOLI and JOAN PAOLI, husband and wife,

hereinafter called the "purchaser,"

WITNESSETH: That the seller agrees to sell to the purchaser and the purchaser agrees to purchase from the seller the following

described real estate, with the appurtenances, in Skamania County, State of Washington: That portion of the East Half of the Southeast Quarter of the Southeast Quarter of Section 16, Township 3 North, Range 10 E.W.M., lying northerly of the County Road No. 3041 designated as the Cooks-Underwood Highway, described as follows: Beginning at the southwest corner of the East Half of the Southeast Quarter of the Southeast Quarter of the said Section 16; thence north along the west line of said subdivision 475 feet to the initial point of the tract hereby described; thence north along said line 663 feet; thence south 40° 45' east 753 feet to the north-westerly right of way line of said Cooks-Underwood Highway; thence south 51° 30' west along said northwesterly right of way line 436 feet; thence north 40° 10' west 236 feet, more or less to the initial point; containing 4.9 acres, more or less;

TOGETHER WITH an easement and right of way 20 feet in width over the existing road leading to the barn constructed on said real property and connecting with the County Road No. 3095 designated as the Lacock-Keichner Road.

The terms and conditions of this contract are as follows: The purchase price is FIFTY-EIGHT THOUSAND----- (\$ 58,000.00) Dollars, which SEVEN THOUSAND----- (\$ 7,000.00) Dollars have

been paid, the receipt whereof is hereby acknowledged, and the balance of said purchase price shall be paid as follows:

FIVE HUNDRED----- (\$ 500.00) Dollars, or more at purchaser's option, on or before the 10th day of June, 1979,

and FIVE HUNDRED----- (\$ 500.00) Dollars, or more at purchaser's option, on or before the 10th day of each succeeding calendar month until the balance of said

purchase price shall have been fully paid. The purchaser further agrees to pay interest on the diminishing balance of said purchase price at the rate of 10 3/4 per cent per annum from the 31st day of May, 1979,

which interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal.

All payments to be made hereunder shall be made at Riverview Savings Association, White Salmon, WA,

or at such other place as the seller may direct in writing.

On or before April 1, 1980, purchasers shall cash out the remaining interest

of Sellers and shall assume Seller's now existing mortgage at Riverview

Savings Association which has the current balance as of May 31, 1979, of

\$29,444.51.

Purchaser shall not be permitted to cut any trees without the express written permission of the Sellers.

As recited in this contract, "date of closing" shall be May 31, 1979.

(1) The purchaser assumes and agrees to pay before delinquency all taxes and assessments, that may be levied on grantor and grantee hereafter hereon or on said real estate, and if at the time of this contract the purchaser has assumed payment of any mortgage, contract or other encumbrance or has assumed payment of or agreed to purchase subject to, any taxes or assessments now in lien on said real estate, the purchaser agrees to pay the same before delinquency.

(2) The purchaser agrees, until the purchase price is fully paid, to keep the buildings now and hereafter placed on said real estate insured to the actual cash value thereof against loss or damage by both fire and windstorm in a company acceptable to the seller and for the seller's benefit, as his interest may appear, and to pay all premiums therefor and to deliver all policies and renewals thereof to the seller.

(3) 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, nor shall the covenant or agreement relied on be contained herein or in any writing, and attached to and made a part of this contract.

(4) The purchaser assumes all hazards of damage to or destruction of any improvements now on said real estate or hereafter placed thereon, and of the taking of said real estate or any part thereof for public use; and agrees that no such damage, destruction or taking shall constitute a failure of consideration. In case any part of said real estate is taken for public use, the portion of the consideration 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 hereon unless the seller elects to allow the purchaser to apply all or a portion of such consideration toward the rebuilding or restoration of any improvement damaged by such taking. In case of damage or destruction from a peril insured against, the proceeds of such insurance remaining after payment of the reasonable expense of procuring the same shall be devoted to the restoration or rebuilding of such improvements within a reasonable time, unless purchaser elects that said proceeds shall be paid to the seller for application on the purchase price herein.

(5) The seller has delivered, or agrees to deliver within 15 days of the date of closing, a purchaser's policy of title insurance in standard form, or a certificate therefor, issued by Fidelity National Title Insurance Company, 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 descriptions 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 (5) shall be deemed defects in seller's title.

(6) As seller's title to said real estate is subject to an existing contract or contracts under which seller is performing said real estate or any assignment 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 then falling due in the order under this contract.

(7) 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 warranty deed to said real estate, excepting any liens that of record are taken for public use, of encumbrances except any that may attach after date of closing through any person other than the seller, and is subject to the following:

TRANSACTION EXCISE TAX

Amount Paid \$1195.00

By County Treasurer

(8) Unless a different date is provided for herein, the purchaser shall be entitled to possession of said real estate on date of closing and to retain possession so long as purchaser is not in default hereunder. The purchaser covenants to keep the buildings and other improvements on said real estate in good repair and 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.

(9) In case the purchaser fails to make any payment herein provided or to maintain insurance, as herein provided, the seller may make such payment or effect such insurance, and any amounts so paid by the seller, together with interest at the rate of 10% 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.

(10) Time is 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 elect to declare all the purchaser's rights hereunder terminated, and upon his doing so, all payments made by the purchaser hereunder and all improvements placed upon the real estate shall be forfeited to the seller as liquidated damages, and the seller shall have right to re-enter and take possession of the real estate; and no waiver by the seller of any default on the part of the purchaser shall be construed as a waiver of any subsequent default.

(11) Upon seller's election to bring suit to enforce any covenant of this contract, including suit to collect any payment required hereunder, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, which sums shall be included in any judgment or decree entered in such suit.

If the seller shall bring suit to procure an adjudication of the termination of the purchaser's rights hereunder, and judgment is entered, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, and also the reasonable cost of searching records to determine the condition of title at the date such suit is commenced, which sums shall be included in any judgment or decree entered in such suit.

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

James E. Stambek (SEAL)
Patricia A. Stambek (SEAL)
Agent of Fred (SEAL)
Crown (SEAL)

STATE OF WASHINGTON,
County of Klickitat

On this day personally appeared JAMES E. STAMBEK and PATRICIA A. STAMBEK to me known to be the persons who executed the within and foregoing instrument, and acknowledges that they their free and voluntary act and deed, for the use and purposes therein mentioned

GIVEN under my hand and seal of office this 15th day of May, 1979.

Public in and for the State of Washington,
residing at White Salmon, therein.

Handwritten notes and signatures in a rectangular box, including names like 'B. Belmont' and 'J.P. ...'

White Salmon, WA 98672
P. O. Box 425
Attorney at Law
TO JOSEPH L. UHALL

Filed for Record at Request of
ATTORNEY COMPANY
PIONEER NATIONAL TITLE INSURANCE