94424 BOOK 81 PAGE 340

JUL 1982 RECEIVED

REAL ESTATE CONTRACT

THIS CONTRACT is made and entered into this 16th day of July, 1982, by and between the undersigned parties in consideration of the mutually beneficial terms and provisions hereof. It is now agreed as follows:

1. PARTIES. The parties to this Agreement are as follows:

A. DONALD EDWARD DELZER and JANICE MAE DELZER, husband and wife, hereinafter called "Seller".

B. BYRON J. HOFER, hereinafter called "Purchaser".

2. PROPERTY SOLD. Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller, the following described real estate, with appurtenances, (hereinafter called "Property") located in Skamania County, Washington:

PARCEL I:

The East 415 feet of the Southeast quarter of the Northeast quarter of the Northwest quarter of Section 28, Township 3 North, Range 8 East of the Willamette Meridian,

Except: That portion thereof lying within a 300 foot strip of land acquired by the United States of America for the Bonneville Power Administration for Electric Transmission Lines; by declaration recorded February 6, 1939, in Book 7 of Deeds at page 315.

Also except any portion thereof lying within the West 245 feet of said Southeast quarter.

Also except Public Roads;

Also known as Lot 1 of the Laughery Short Plat recorded May 22, 1978, in Book 2 of Short Plats at Page 52, records of Skamania County, Washington.

Subject to: Covenants, conditions, restrictions and easements of record.

PARCEL II:

The West 245 feet of the Southeast quarter of the Northeast quarter of the Northwest quarter of Section 28, Township 3 North, Range 8 East of the Willamette Meridian,

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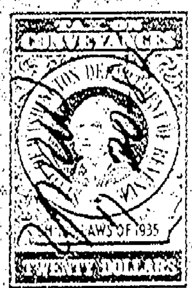
Except: That portion thereof lying within a 300 foot strip of land acquired by the United States of America for the Bonneville Power Administration for Electric Transmission Lines; by declaration recorded February 6, 1939, in Book 7 of Deeds at page 315.



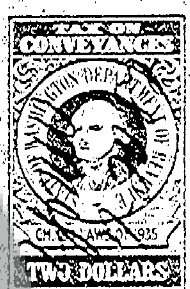
Also except any portion thereof lying within the East 415 feet of said Southeast quarter.

Also except Public Roads;

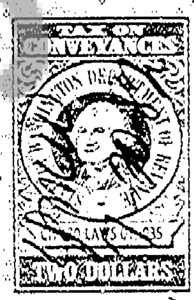
Also known as Lots 2 and 3 of the Laughery Short Plat recorded May 22, 1978, in Book 2 of Short Plats at Page 52, records of Skamania County, Washington.

Subject to: Covenants, conditions, restrictions and easements of record.

PARCEL I is subject to the terms of a Deed of Trust and Promissory Note held by People's Mortgage having a balance in the amount of $63,217.03, which shall be assumed by Purchaser.



Subject to easements, reservations, restrictions, plat dedications, restrictive covenants, either of record or in apparent use, and future municipal district assessments, if any.



Together with all currently attached plumbing, irrigation, water, heating and lighting fixtures, attached television antennaes or other attached or built-in appliances, all attached bathroom accessories, all shades, curtain and drapery rods, screens and storm windows, linoleum and wall-to-wall carpeting attached to said property.

3. PRICE AND TERMS. The purchase price of the Property is $105,000.00 of which $25,000.00 has been paid down, and the balance of said purchase price shall be paid as follows:

A. Balance and Interest. Purchaser shall assume and pay according to its terms that Promissory Note secured by Deed of Trust and held by People's Mortgage, in the amount of $63,217.03. The remainder of the purchase price, $16,782.97, shall bear interest at the rate of 11% per annum on the declining balance until such time as such balance has been paid in full. Interest shall accrue from and after the date shown above.

B. Payments. Monthly payments of principal and interest, due from the Purchaser to the Seller, shall be $160.00. All payments shall be due on the 15th day of each month, commencing with August 15, 1982.

C. Prepayment. Prepayment of the Purchaser's principal obligation shall be permitted. Any permitted prepayment shall be applied only upon final payments due hereunder, and shall not be prepayment of any interim monthly payments. In the event Purchaser elects to prepay any payments on this contract, such that Seller then becomes obligated to pay any prepayment penalties on any underlying obligation, the Purchaser shall immediately pay any such prepayment penalties in addition to all other payments owed pursuant to this contract.

D. Payoff. On or before the 15th day of August, 1992, the Purchaser shall pay to the Seller, in its entirety, the then unpaid principal balance, together with all other sums owed pursuant to the terms of this contract.

4. PLACE OF PAYMENTS. All payments to be made hereunder shall be made to Seller c/o Mr. Edgar M. Delzer of Ethen, South Dakota, 57334, or at such other place as Seller may direct in writing.

5. DATE OF CLOSING. As referred to in this contract the "date of closing" shall be the date this Contract is recorded, or thirty (30) days after the date above, whichever first occurs.

6. PAYMENT OF TAXES AND ASSESSMENTS. The Purchaser assumes and agrees to pay before delinquency all taxes and assessments that may as between Seller and Purchaser hereafter become a lien on said real estate; and if by terms 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 a lien on said real estate, the Purchaser agrees to pay the same before delinquency.

7. INSURANCE. 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 and to maintain property owner's liability coverage, in a company acceptable to the Seller and for the Seller's benefit, as their interest may appear and to pay all premiums therefor and to deliver all policies and renewals thereof to the Seller. The Seller agrees that, in the event of any insured loss during the life of this contract, the Purchaser may, at Purchaser's option, use any insurance funds remaining after payment of reasonable expenses of procuring the same to diligently restore or reconstruct the improvements to substantially the same condition as existed prior to the loss; provided, however, that the Purchaser shall have the right to use the proceeds in this manner only if the Purchaser is not in default under this contract at the time of the loss and only if the Purchaser causes any insurance proceeds to be placed in a trust account or disbursement account, assuring the use of the funds for reconstruction or restoration as provided herein.

8. PURCHASER'S LIENS. The Purchaser agrees, until the purchase price is fully paid, not to permit any judgment liens or other liens of whatsoever nature, arising from any action or claim against the Purchaser, to remain on the property for more than thirty (30) days. In the event any such lien is placed upon the property, the Purchaser agrees to pay the underlying obligation giving rise to the lien, or to assume the responsibility for instituting the proper legal action to clear the lien. In the event of suit or other action by any lien holder to enforce or foreclose such a lien, the Purchaser agrees to indemnify the Seller for all loss, costs or expense, including attorney's fees, incurred by the Seller in defending such suit or foreclosure action.

9. SELLER'S LIENS. The Seller agrees, until the purchase price is fully paid, not to permit any judgment liens or other liens of whatsoever nature, arising from any action or claim against the Seller, to remain on the property for more than thirty (30) days. In the event any such lien is placed upon the property, the Seller agrees to pay the underlying obligation giving rise to the lien, or to assume the responsibility for instituting the proper legal action to clear the lien, or to apply all payments thereafter received from Purchaser (net of any payments thereafter due from Seller on any senior underlying interest) to the partial satisfaction of such lien. In the event of suit or other action by any lien holder to enforce or foreclose such a lien, the Seller agrees to indemnify the Purchaser for all loss, costs or expense, including attorney's fees, incurred by the Purchaser in defending such suit or foreclosure action.

10. INSPECTION. 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.

11. REGULATIONS AND ZONING: The Purchaser agrees that they have had an opportunity to review all Federal, State and local regulations, including but not limited to zoning regulations and regulations and standards affecting various permit applications, and the effect that such regulations and requirements may have on the above described property, including the effect of the same on any prospective intended use or uses.

12. ASSUMPTION OF RISK. 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.

13. CONDEMNATION. 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; provided, however, that the Purchaser shall have the right to apply such condemnation award to the rebuilding or restoration of any improvement so taken as long as the Purchaser complies with the same terms and conditions as set forth for the similar use of an insurance award in the "Insurance" paragraph above.

14. TITLE INSURANCE. 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, issued by Land Title Company of Skamania County, 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, including all terms and provisions thereunder, which Seller by this contract agrees to pay, none of which for the purposes of this paragraph shall be deemed defects in Seller's title;

D. Easements, covenants, restrictions and reservations of record.

15. NONASSIGNMENT. It is agreed that no right, title or interest to the property herein involved or to the contract here executed shall be assigned, given, sold or conveyed by Purchaser hereto without the express written consent of the Seller. Purchaser agrees to pay Seller's reasonable costs (including attorney's fees and credit-report fees) in evaluating any proposed sale or other assignment. The Seller agrees not to withhold consent to any sale or transfer to any buyer or other assignee who meets each of the following tests:

A. Is financially qualified and credit-worthy.

B. Acquires their interest subject to the terms and provisions of this Contract, which terms and provisions may be enforced by the Seller against any subsequent assignee.

C. Subordinates their interest in the property to the interest of the Seller, and expressly waives any right they might have to seek judgment, foreclosure, or other remedy against the Seller in the event of any breach or default by any party who is "beneath" the Seller in the chain of title.

D. Furnishes to the Seller an address for the sending (or serving) of any notices which the Seller may wish to send to (or serve upon) such subsequent assignee.

E. Agrees that any payments required pursuant to their transaction shall be made through any escrow or collection account established hereby.

F. Accepts, as modified terms to this contract, an increase in the interest rate to be agreed upon by the Seller, Purchaser and Purchaser's assignee, and a proportionate increase in the monthly payment.

16. UNDERLYING INTERESTS. 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 Purchaser is to assume, Purchaser agrees to make such payments in accordance with the terms thereof. In the event of Purchaser's default as to any underlying obligation, the Seller shall have the right to make any payments necessary to cure the default (including any penalty, interest, or late charges properly assessed against the Seller), and any payments so made shall be credited to the payments next falling due to the Seller under this contract. Default by Purchaser of his

obligation under such assumed obligation shall be deemed default under the terms of this contract.

17. DEED UPON PERFORMANCE. The Seller agrees, upon receiving full payment of the purchase price and interest in the manner above specified, and satisfaction of the existing obligation assumed by Purchaser, to execute and deliver to Purchaser a warranty 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 following: Easements, covenants, restrictions and reservations of record.

18. POSSESSION AND USE. 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 and agrees not to structurally alter, remove, or demolish any buildings or any other improvements now located or hereafter placed on the said real estate, and to keep such buildings and improvements in good repair, and not to permit waste of the property, 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.

19. SELLER'S RIGHT TO MAKE PAYMENTS. In case the Purchaser fails to make any payment herein provided, including but not limited to taxes, liens or assessments, or to maintain insurance as herein required, 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 14% per annum thereon from the 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.

20. DEFAULT AND REMEDIES. TIME IS OF THE ESSENCE IN THE PERFORMANCE OF THIS AGREEMENT. If the Purchaser fails make any payment when due or within any allowable grace period, or if the Purchaser fails to comply with or perform any other condition or agreement hereof, the Seller may, at Seller's option, exercise any one or more of the following alternative remedies upon giving the Purchaser thirty (30) days written notice specifying the default. The Purchaser may cure the default within the notice period by performing the conditions set forth therein. Seller need not elect between the following remedies at the time of giving notice to the Purchaser of any default, or at the time of instituting any suit or action on account of such default, or at any time prior to the satisfaction of a judgment entered in such suit or action. The Seller's remedies shall be:

A. Suit for Delinquencies. Seller may institute suit for any installments or other sums then due and payable under this contract, together with interest thereon at the rate of 14% per annum from the date each such item was due from the Purchaser or advanced by the Seller. Purchaser's covenant to pay any installment or any other payments due under this contract are independent of the Seller's covenant to give a Deed.

B. Acceleration. Seller may declare the entire unpaid balance of the purchase price, together with any other sums then

81 353

due and payable under this contract, to be immediately due and payable, and the Seller may then institute suit to collect such amounts, together with interest thereon at the rate of 14% per annum from date of Purchaser's default. Payment by Purchaser of any judgment obtained by Seller pursuant to this paragraph shall be a condition precedent to the delivery of a deed to said property by Seller, or by the escrow agent, if any.

C. Forfeiture. Seller may elect to declare a forfeiture of and cancellation of this contract and; upon such election being made, all rights of Purchaser hereunder shall cease and terminate and Seller shall be entitled to take possession of the property, including all improvements then appertaining, and all payments made by Purchaser hereunder shall be retained by Seller in liquidation of all damages sustained by said default. At the end of said notice period, Seller may enter into the property and take possession thereof and Purchaser shall immediately surrender possession.

D. Specific Performance. Seller may institute suit to specifically enforce any of the Purchaser's covenants hereunder.

21. WAIVER. The failure of Seller to elect to pursue any of the remedies set forth in the "Default and Remedies" paragraph following any breach or default by the Purchaser shall be deemed only an indulgence by the Seller with regard to that particular breach; such failure shall not be construed, in any manner whatsoever, to be a waiver of the Seller's right to pursue any of Seller's remedies in the event of another breach or default at a subsequent time. Any delay by the Seller in sending notice or taking other action upon the Purchaser's default shall not be construed as a waiver of said default, as long as notice or other action is instituted prior to the Purchaser otherwise curing such default. Further, should Purchaser pay to Seller an amount less than all sums required to cure defaults, including costs, Seller's acceptance of such sums shall not be deemed to be either a waiver of the defaults or a reinstatement of the contract; such sums shall be retained by the Seller as liquidated damages if the Seller declares a forfeiture, and shall be retained and applied against Purchaser's obligation if the Seller asserts any other remedy.

22. NOTICES. Any notice, declaration, demand 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: P.O. Box 252
Stevenson, WA 98648

To Seller: c/o Mr. Edgar M. Delzer
Ethen, South Dakota 57334

Any party may change its address by giving written notice to the other parties in the manner provided above, provided that in no event shall Seller be required to send any notice to more than one (1) addressee. 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.

23. ATTORNEY'S FEES AND COSTS. In the event of any default of any of the terms of this agreement, and in the event of the bringing of any suit or action with respect to any default, or to enforce any of the terms, the prevailing or non-breaching party shall be entitled to recover, in addition to statutory costs, all reasonable costs and attorney's fees incurred in connection with such suit or action. Purchaser further agrees to pay the reasonable costs, including attorney's fees, incurred by the Seller, or assigns, for preparing and serving notices of forfeiture, or of intention to declare forfeiture, in the event of default on the part of Purchaser. Purchaser further agrees to pay the reasonable costs of searching records to determine the condition of title, in the event that the Seller, after any default by the Purchaser, undertakes such a search in preparation for the bringing of any suit or action, or instituting forfeiture provisions.

24. LATE PAYMENT CHARGE. The Purchaser shall have a grace period of ten (10) days in which to make any payment owed to the Seller pursuant to the "Price and Terms" paragraph. Any payment not made within this grace period shall automatically accrue a late charge in the amount of $25.00 for each such overdue payment. Any contract payment not made within an additional thirty (30) days shall, in addition, bear interest at the rate of 14% per annum from the date of default. The imposition, charge, or payment of any late payment charge, pursuant to this paragraph, shall be in addition to any other remedies available to the Seller pursuant to the terms of this contract.

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

SELLER: PURCHASER:

DONALD EDWARD DELZER BYRON J. HOFER

JANICE MAE DELZER

STATE OF WASHINGTON)
)ss.
COUNTY OF CLARK)

THIS IS TO CERTIFY that on this day personally appeared before me, DONALD EDWARD DELZER and JANICE MAE DELZER, 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 free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 16th day of July, 1982.

Notary Public in and for the State of Washington, residing at Vancouver.

STATE OF WASHINGTON)
)ss.
COUNTY OF CLARK)

THIS IS TO CERTIFY that on this day personally appeared before me, BYRON J. HOFER, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 16th day of July, 1982.

Michael K. Norris
Notary Public in and for the State of Washington, residing at Vancouver.

[illegible] SS
[illegible] HEREBY CERTIFY THAT THE WITHIN
INST[illegible] BY
[illegible] COUNTY [illegible]
OF STEVENSON, WA
[illegible] JULY 20 82
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DEEDS 347
[illegible]
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