

REAL ESTATE CONTRACT

THIS CONTRACT, made and entered into this 20th day of May, 1983, by and between SPENCER GARWOOD and GENEVIEVE GARWOOD, husband and wife hereinafter called the "sellers", and ARIEL MORGAN and LAURA MORGAN, husband and wife, hereinafter called the "purchasers",

WITNESSETH: That the sellers agree to sell to the purchasers, and the purchasers agree to buy from the sellers, the following described real estate, situated in Skamania County, Washington, and more particularly described as follows:

The North one-half of the following described tract:

Beginning at a point 420 feet south and 20 feet west of the North-east corner of the Southeast Quarter of the Southeast Quarter of Section 20, Township 3 North, Range 8 East of the Willamette Meridian; thence West 435 feet, more or less, to the East line of the tract of land conveyed to Marvin Bevans; thence South along said East line 300 feet; thence East 435 feet, more or less, to a point due South of the point of beginning; thence North 300 feet to the point of beginning.

TOGETHER WITH an easement for access to said property over the North 30 feet of the South one-half of said tract, and subject to an easement for access over the South 30 feet of the North one-half of said tract.

EXCEPT the East 345 feet thereof.

Known as Lot 1 of the Virginia G. VanKirk Short Plat recorded in Book 2, at Page 133-A, of Short Plats in the Office of the County Auditor, a correction of Short Plat filed in Book 2 at Page 113.

The terms and conditions of this contract are:

The purchase price is SIX THOUSAND DOLLARS (\$6,000.00) of which \$200.00 has been paid, the receipt of which is hereby acknowledged, and the balance of \$5,800.00 shall be paid as follows:

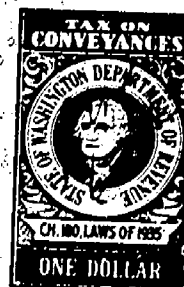
In monthly installments of One Hundred Dollars (\$100.00) each, beginning with the first day of December, 1983, and continuing monthly thereafter until the whole balance of the purchase price, both principal and interest shall have been paid in full. The unpaid balance of the purchase price shall at all times bear interest at 8% per annum from the 20th day of May, 1983, and from each payment shall first be deducted interest to date and the balance shall be applied on principal. Permission is especially granted to purchasers to make larger payments at any time, or to pay the contract in full, and interest shall immediately cease on all payments so made.

All payments to be made hereunder shall be made at P.O. Box 421, Carson, Washington 98610, or at such other place as the sellers may direct in writing.

The purchasers are entitled to physical possession of the premises on June 1, 1983.

1) The purchasers agree to pay before delinquency all taxes and assessments which may, as between sellers and purchasers, hereafter become a lien on the real estate.

2) Purchasers also agree to assume all hazards of damage to or destruction of the land or any improvements hereafter placed thereon.



Transaction in compliance with County subdivision ordinance, Skamania County Auditor - BY:

Registered
Recorded
Filed

3) Purchasers are acquiring the property "as is" and sellers make no representations or warranties except as to title as set forth herein. Without limiting the generality of the foregoing, purchasers acknowledge that they have made their own independent investigation and inspection of the property and will be relying entirely thereon and on the advice of any consultant they may retain. Purchasers may not rely on any representation of any party whether or not such party purports to act on behalf of sellers unless the representation is expressly set forth herein or in a subsequent document executed by sellers. All representations, warranties, understandings and agreements between purchasers and sellers are merged herein and shall not survive closing.

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

5) The rights hereby granted are personal to the purchasers, and sellers' reliance on purchasers' 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 the purchasers, nor shall purchasers make or enter into any contract for the sale of the property or any interest therein, without the prior written consent of the sellers.

6) Any attempt at assignment and transfer by purchasers in violation of the foregoing provision may at sellers' option, be deemed a default by purchasers, and sellers may declare the remaining contract balance, accrued interest and any other sums owing by purchasers to sellers herein immediately due and payable.

7) In the event of the taking of any part of the property for public use, or of the destruction of any of the improvements on the property by fire or other casualty, all of the moneys received by the sellers by reason thereof shall be applied as a payment on account of the purchase price of the property, less any sum which the sellers may be required to expend in procuring such money, or, at the election of the sellers, to the rebuilding or restoration of the premises.

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

9) The sellers have procured, or agree to procure within fifteen (15) days of the date hereof, a purchasers' policy of title insurance, or commitment therefore, insuring the purchasers to the full amount of the purchase price against loss or damage by reason of defect in the title of the sellers to the real estate herein described or by reason of prior liens not assumed by the purchasers in this contract.

10) The sellers agree, on full payment of the purchase price and interest in the manner hereinbefore specified, to execute and deliver to purchasers a warranty deed to the property, excepting any part which may hereafter be condemned, free and clear of encumbrances, except those mentioned herein and any that may accrue hereafter through any person other than the sellers.

11) Time and the covenants of purchasers set forth herein are of the essence of this agreement. If purchasers fail to make any payment precisely when due or breach any term or provision of this contract, sellers may, at their option, exercise any of the following alternative remedies upon giving purchasers thirty (30) days' written notice specifying the default and the remedy to be exercised should purchasers fail to secure all defaults at the expiration of the 30-day period:

(a) Suit for Delinquencies. Sellers may institute suit for any installments or other sums then due and payable under this agreement together with any sums advanced by sellers for 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 payments was advanced or due, as the case may be.

(b) Acceleration. Sellers may declare the entire unpaid balance of the purchase price to be immediately due and payable and institute suit to collect such amounts, together with any sums advanced by the sellers for and the amount of any delinquencies for items such as water assessments, taxes, insurance, payments on underlying obligations, lienable items and other expenses incurred to protect sellers' interest in the property, together with interest thereon at the rate of 12% per annum from the date of each such advance. Payment by purchasers of any judgment obtained by sellers pursuant to this paragraph shall be a condition precedent to the delivery of a deed to said property by sellers or by the escrow agent, if any.

(c) Forfeiture. Sellers may elect to declare a forfeiture of and cancellation of this contract and upon such election being made, all rights of purchasers hereunder shall cease and terminate and sellers shall be entitled to take possession of the property, and all payments made by purchasers hereunder shall be retained by sellers in liquidation of all damages sustained by said default. In addition, should sellers commence a quiet title action in connection with such forfeiture or defend any claim in opposition to such forfeiture, sellers shall be entitled to recover from purchasers all further costs and attorneys' fees incurred therein and in any appeal. At the end of the said 30-day period, sellers may enter into the property and take possession thereof and purchasers shall immediately surrender possession. If a forfeiture is declared, all payments which, but for the forfeiture, would have become due during the specified 30-day period and all costs and expenses including, but not limited to costs of title search and a reasonable attorney's fee, incurred by sellers in connection with the default must be paid in addition to the sums set forth in the notice of forfeiture as a condition to reinstatement of the contract. Should purchasers pay sellers an amount less than all sums required to reinstate the contract, sellers' acceptance of such sums shall not be deemed a waiver of any defaults or a reinstatement of the contract, and any such sums shall be retained by sellers as liquidated damages should purchasers remain in default in any respect on the expiration of the 30-day period.

(d) Specific Performance. Sellers may institute suit to specifically enforce any of the purchasers' covenants hereunder.

The failure of sellers 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 purchasers shall be deemed only an indulgence by the sellers with regard to that particular breach and shall not be construed, in any manner whatsoever, to be a waiver of any right of sellers to pursue any of the above remedies for the same or a different breach at a subsequent time; election of the sellers to utilize any particular remedy to enforce a breach of this contract shall not preclude sellers from electing to use an alternate remedy to enforce a subsequent breach. Any delay or failure of sellers to take action

upon default shall not be construed as a waiver of said default. If sellers are required to consult an attorney or to institute legal action to enforce any of the remedies indicated, purchasers agree to pay sellers' costs and reasonable attorneys' fees incurred in such consultation or proceeding and any appeal thereof.

12) 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 sellers:

Spencer and Genevieve Garwood
P.O. Box 421
Carson, WA 98610

To purchasers:

Ariel and Laura Morgan
P.O. Box 633
Carson, WA 98610

Any party may change their address by giving written notice to the other party in the manner provided above, provided that in no event shall sellers be required to send any notice to more than two (2) addressees. 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.

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

Sellers:

Spencer Garwood
SPENCER GARWOOD

Genevieve Garwood
GENEVIEVE GARWOOD

Purchasers:

Ariel Morgan
ARIEL MORGAN

Laura Morgan
LAURA MORGAN

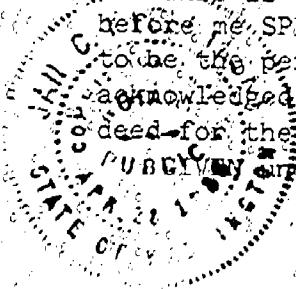
STATE OF WASHINGTON)

County of Skamania)

This is to certify that on this 20th day of May, 1983, personally appeared before me SPENCER GARWOOD and GENEVIEVE GARWOOD, husband and wife, to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

Under my hand and seal this 20th day of May, 1983.

John P. Fickel
Notary Public in and for the State of Washington, residing at Stevenson.



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FILED BY

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No. 3274
TRANSACTION EXCISE TAX

JUN 8 1983
Amount Paid 264.20

Skamania County Treasurer

By Beverly S. Ballinger