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AUDITOR

REAL ESTATE CONTRACT

THIS CONTRACT, made and entered into this 25th day of June, 1985, between SPENCER GARWOOD and GENEVIEVE GARWOOD, husband and wife, hereinafter called the "seller", and ROBERT CALLAHAN and CONNIE CALLAHAN, husband and wife, and JAMES CALLAHAN, a single man, 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 West Half of the Northwest Quarter of Section 21, Township 3 North, Range 8 East of the Willamette Meridian, described as follows:

Beginning at a point South 89° 28' 33" East 20 feet and North 00° 31' 28" East 2022.5 feet from the Southwest corner of the Northwest Quarter of the Southwest Quarter of said Section 21, said point being on the East right of way line of Metzger Road; thence South 89° 28' 33" East along the North line of the Robert W. Barnes Subdivision as per plat recorded in Book "A" of Plats at Page 112, 544.02 feet to the point of beginning; thence south 00° 31' 28" West 327.50 feet; thence South 89° 28' 33" East 436.65 feet to the Northwest corner of that tract of land conveyed to Chester R. Nelson and Catherine A. Nelson, husband and wife, by instrument dated March 22, 1958, recorded April 15, 1958, in Book 44 of Deed at Page 462, under Auditor's File No. 53587, records of Skamania County, Washington; thence South 00° 33° 28", West along the West line of said Nelson Tract and the West Right of Way line of Barnes Nelson Road 327.50 feet, to the Northeast corner of the Chester R. Nelson Subdivision; thence North 89° 28° 33" West along the North line of said Chester R. Nelson Subdivision and the North line of the Plat of Robert W. Barnes aforesaid 436.65 feet to the true point of beginning.

Also known as Lots 2, 3 & 4 of Spencer Garwood Short Plat filed May 26, 1983, in Book 3 of Short Plats at Page 47, records of Skamania County, Washington.

The terms and conditions of this contract are as follows

Price and Payment Terms

- 1. The purchase price is **EIGHTEEN THOUSAND DOLLARS**, (\$18,000.00) of which TWO THOUSAND DOLLARS has been paid, the receipt whereof is hereby acknowledged, and the balance of said purchase price shall be paid as follows:
- (a) TWO HUNDRED DOLLARS (\$200.00), or more at purchaser's option, on or before July 10, 1985 and TWO HUNDRED DOLLARS (\$200.00) or more at purchaser's option, on or before the 10th day of each succeeding calendar month thereafter until the balance of said purchase price shall have been fully paid.
- (b) The purchaser further agrees to pay interest on the diminishing balance of said purchase price at the rate of ten per

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REAL ESTATE EXCISE TAX

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cent (10%) per annum from the 25th day of June, 1985, which interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal.

- 2. All payments to be made hereunder shall be made at P.O. Box 421, Carson, Washington or at such other place as the seller may direct in writing.
- 3. As referred to in this contract, "date of closing" shall be June 25, 1985.
- 4. Purchaser may at his option pay the entire balance of the purchase price remaining due, or any part of such balance, at any time before maturity, without notice to seller and without penalty.
- 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 asbetween 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 their 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.
- 7. 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 repecting 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 purchaser and seller are merged herein and shall not survive closing.

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.

Planting

 The purchaser agrees to plant cedar trees four (4) feet apart along the north line of the described real estate.

Insurance

10. The purchaser agrees to keep any improvements or future improvements located on the property and the contents thereof 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 their 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 cancelled without ten (10) days written notice to seller.

Title Insurance

- 11. The seller 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 Safeco 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 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 11 shall be deemed defects in seller's title.

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 those set forth herein and any that may attach after date of closing through any person other than the seller, and subject to the standard title policy exceptions.

Possession

13. 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 convenants to keep any 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, electric, garbage or other utility services furnished to said real estate after the date purchaser is entitled to possession.

Assignment

14. 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. Provided, that purchaser shall not be prohibited from selling a part or all of the above described real estate on condition that (1) the terms of sale are approved by seller and (2) all proceeds of sale are applied to reduce the indebtedness owed by purchaser to seller hereunder until such time as this contract is fulfilled.

Default

- 15. 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.
- 16. 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 secure 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 itmes 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. Acceleration. Seller 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 seller 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 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.

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, and all payments made by purchaser hereunder shall be retained by seller in liquidation of all damages In addition, should seller sustained by said default. commence a quiet title action in conection with such forfeiture or defend any claim in opposition to such forfeiture, seller shall be entitled to recover from purchaser all further costs and attorneys' fees incurred therein and in any appeal. At the end of said 30-day period, seller may enter into the property and take possession thereof, and purchaser 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 seller in connecton 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 purchaser pay seller an amount less than all sums required to reinstate the contract, seller's 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 seller as liquidated damages should purchaser remain in default in any respect on the expiraton of the 30day period.

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. 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.

Notice

13. 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:

Robert and Connie Callahan Jim Callahan Carson, WA 98610

To Seller:

Spencer and Genevieve Garwood P.O Box 421 Ca. on, WA 98610 Either party may change its address by giving written no fice 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) 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.

Fees and Cost of Suit

19. Upon seller's election to bring suit to enforce any convenant 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 so 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.

| This crument as of the date first wifeten above. | |
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| Selvers: | Purchasers: |
| Jonnell Hautonel | Robert Colleten |
| SPENCER GARNOOD | ROBERT CALLAHAN |
| Haneman Storend | Consul allahan |
| GENEVIEVE GAR OOD | CONNIB CALLAHAN |
| | Quines W Callaba |
| | JAMES CALLAHAN |
| | |

STATE OF WASHINGTON)

(LL//) ss.

County of Skamania)

On this day personally appeared before me SPENCER GARWOOD AND GENEVIEVE GARWOOD 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 24thay of June , 1985 .

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