

W I T N E S S E T H:

Buyers further promise and agree to pay interest on the diminishing balance of said down payment at the rate of ten (10%) percent per annum computed from the date of this contract. Interest shall be deducted from each installment payment, and the remainder of each such installment payment shall then be applied in reduction of the principal balance of said down payment.

B. Balance of Purchase Price: The balance of the purchase price in the amount of \$70,000.00 shall be paid in monthly installments of \$614.31, or more at Buyers' option. Such monthly installments shall commence on the 5th day of the month following payment of the down payment in full, and shall continue on the 5th day of each month thereafter for 179 consecutive months, at which time the then unpaid balance of principal and interest shall be paid in full.

Buyers further covenant and agree to pay interest on the diminishing balance of said purchase price at the rate of ten (10%) percent per annum to be computed from the date the down payment is paid in full. Interest shall be deducted from each monthly installment payment, and the remainder of each such installment payment shall then be applied in reduction of the principal balance of the purchase price.

C. Late Payment - Place of Payment - Prepayment: In the event that any monthly installment for either the down payment or the balance of the purchase price is not paid within fifteen (15) days of its due date, then there shall be added to such installment a late charge of \$15.00.

All such monthly installment payments for both the down payment and balance of the purchase price shall be made to a collection account maintained for Seller's credit at Heritage Bank, Camas, Washington, until such time as the Deed of Trust in favor of Heritage Bank has been released of record. All monthly installment payments accruing thereafter shall be made to Heritage Bank or to such other place as Seller may in writing direct.

Buyers reserve the right to prepay in full the purchase price, including the down payment, on this contract at any time without penalty.

Section 3. POSSESSION: Buyers shall be entitled to possession of the premises contracted to be purchased as of date of this contract, and thereafter during their continued full performance of the terms and conditions of this contract.

Section 4. ADVANCES: It is understood and agreed that in the event the Buyers fail or neglect or refuse to pay any taxes, assessments, insurance premiums or any other lawful charge against said property, the Seller may pay same and such sums as may be so paid shall be secured by this contract and the said sums shall be repaid by the Buyers to the Seller upon demand with interest thereon from each respective date of advancement until repaid, at the rate of twelve (12%) percent per annum.

Section 5. PREPAID TAXES: The 1985 real estate taxes shall be pro-rated between the Buyers and the Seller as of the date of this contract.

Section 6. BUYERS' COVENANTS: Buyers covenant and agree as follows:

(a) To make the payments mentioned in the manner and on the dates named.

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(b) To pay the consideration agreed upon and named herein regardless of any loss, destruction or damage to any of said property, or the improvements thereon by fire, or from any other cause.

(c) To make or permit no unlawful or offensive or improper use of said property or any part thereof, nor to permit waste, destruction, or damage thereto.

(d) To keep the said property at all times in as good condition as the same now is, reasonable wear and tear excepted.

(e) To permit the Seller or his agents to enter into or upon the said property at any reasonable time to inspect the same.

(f) To pay regularly and seasonably and before the same shall become delinquent, all taxes, assessments, liens and encumbrances of whatsoever nature and kind which may hereafter be lawfully imposed on said property or which may have been assumed by the Buyers in this contract.

(g) Not to permit or suffer any part of said property to become subject to any assessment, lien, charge or encumbrance whatsoever, having or taking precedence over the rights of the Seller in and to said property.

Section 7. DEED AND TITLE INSURANCE: Seller agrees to execute and deliver to Buyers within thirty (30) days after final payment on this contract, a Warranty Deed conveying said property to the Buyers free and clear from all encumbrances except those mentioned herein, and except those liens, taxes and encumbrances placed or suffered by the Buyers or their successors.

The Seller is at this time procuring a Purchaser's Policy of title insurance in standard form, or a commitment therefor, insuring the Buyers 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 Buyers are to assume, or as to which the conveyance hereunder is to be made subject.

(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 purposes of this paragraph shall be deemed defects in Seller's title.

Seller's title to said real estate is subject to an existing mortgage or other obligation which Seller is to pay, and Seller agrees to make such payments in accordance with the terms thereof, and upon default, the Buyers shall have the right to make any payments necessary to remove the default, and any payment so made shall be applied to the payments next falling due the Seller under this contract.

Section 8. PARTIAL CONVEYANCE AND CHANGE IN TITLE OR OCCUPANCY:

A. Partial Conveyance: It is contemplated that Buyers may desire to sell a 5-acre tract of the real property being sold hereunder for the purpose of raising sufficient capital to pay the balance of the down payment to Seller. Seller hereby covenants and agrees

to subordinate this contract or to execute a deed in partial fulfillment to such a 5-acre parcel for such purpose, provided that all proceeds derived from such sale are paid by Buyers towards the purchase price of the contract. Seller further covenants and agrees to apply such proceeds to the indebtedness owed to Heritage Bank and secured by a Deed of Trust on the subject real property to the extent of the unpaid balance thereof.

Buyers shall have the right to select the location of the 5-acre parcel, subject to the approval of Seller, whose approval shall not be arbitrarily or unreasonably withheld. Such 5-acre parcel shall be located so as to not decrease the value of the remaining real property.

B. Change in Title or Occupancy: The rights to purchase granted by this Real Estate Contract are personal to the Buyers, and Seller's reliance upon Buyers' ability and integrity is a part of the consideration for this contract. Except as provided in Subsection A of this section, neither this contract, nor any interest therein, nor the possession of the property may be assigned or transferred by the Buyers, nor shall Buyers make or enter into any contract for the sale of the property or any interest therein, without the prior written consent of the Seller. Any attempt at assignment and transfer by Buyers in violation of the foregoing provisions may, at Seller's option, be deemed a default by Buyers and Seller may declare the remaining contract balance, accrued interest, and any other sums owing by the Buyers to Seller hereunder, immediately due and payable.

Section 9. FORFEITURE: Time is of the essence of this contract and if the Buyers shall fail, refuse or neglect to pay either, or any of the installments or interest or any other payment due, or shall fail to keep and/or perform any of the covenants and agreements herein contained on the part of the Buyers to be performed, then the Seller shall have the right to declare this contract null and void; and if the Buyers shall fail to make good such default within thirty (30) days after the Seller shall have served a written Notice of Intention to Declare Contract Forfeited by delivering said notice to the Buyers or mailing same by certified mail to said Buyers at their last known address or the address given on this contract, at the Seller's option, then and in that event all of the Buyers' rights under this contract shall immediately and utterly cease and determine and the property described herein shall revert to and revest in the Seller without further action on the part of the Sellers and without any right of the Buyers to reclamation or compensation for money paid or for improvements made on said premises, as fully, perfectly and absolutely as if this agreement had never been made and all money theretofore paid to the Seller under this contract shall thereupon be forfeited without process of law and shall be retained by and belong to the Seller in full satisfaction of all claims as accrued and reasonable rent of said property from this date to the time of such forfeiture and as the liquidated damages to the Seller for the Buyers' failure to complete this contract.

Section 10. OTHER REMEDIES: As an alternative to declaring a forfeiture for any such default, Seller may, at his election, bring an action or actions, on any intermediate overdue installment, or on any payment or payments made by the Seller and repayable by the Buyers, it being stipulated and agreed that the covenant to pay intermediate installments or to repay items repayable by the Buyers, are independent of the covenant to make a deed.

Or Seller may, in the event of such default, at his election, declare the entire unpaid balance immediately due and payable and bring such action or actions as he may deem appropriate to effect collection thereof.

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It is agreed that any such action is an action arising on contract for the recovery of money only, as if the promise to pay had been expressed in a different instrument, and that no such action shall constitute an election not to proceed otherwise as to any subsequent default.

Section 11. COURT COSTS AND ATTORNEYS' FEES: In any action by the Seller to procure an adjudication of the termination of Buyers' rights under this contract or to recover any intermediate overdue installments or any advances repayable to Seller, or in any action to recover the unpaid balance on this contract or to enforce any other rights of Seller hereunder, Buyers agree to pay the expenses of searching the title for the purpose of such action, together with all costs and a reasonable attorneys' fees. In the event Seller requires the services of an attorney to enforce any provision or covenant of this contract, Buyers shall pay and discharge all costs and expenses including reasonable attorneys' fees and the cost of searching the title incurred in enforcing such provision or covenant even though no suit or action is instituted.

Section 12. REPRESENTATIONS: Buyers have inspected the property sold herein and have found the same to be to their satisfaction and they agree that no promises, representations, statements or warranties, expressed or implied shall be binding on the Seller unless expressly contained herein. Buyers expressly acknowledge that they have placed no reliance whatever upon any representations not expressed in this contract.

Section 13. WAIVER: No assent, expressed or implied, by Seller to any breach of Buyers' covenants or agreements shall be deemed or taken to be a waiver of any succeeding breach of the same or other covenants.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed in duplicate this 7th day of July, 1985.

August

J. H. (JIM) QUILLIN, INCORPORATED,

By:

J. H. Quillin
J. H. Quillin, President

Helen E. Quillin
Helen E. Quillin, Secretary -
Treasurer

SELLER

Stephen C. Thompson
Stephen C. Thompson

Anna L. Thompson
Anna L. Thompson

Robert T. Henderson
Robert T. Henderson

BUYERS

STATE OF WASHINGTON)
COUNTY OF CLARK) ss.

On this 7th day of July, 1985, before me personally appeared J. H. QUILLIN and HELEN E. QUILLIN, to me known to be the President and Secretary-Treasurer respectively, of the corporation that executed the within and foregoing instrument, and acknowledged said instrument

IN WITNESS WHEREOF, I have hereunto set my hand and
my official seal the day and year first above written.

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

10429

REAL ESTATE EXCISE TAX
AUG 20 1985

PAID 1070.00
for 10/14/1995
 SKAMANIA COUNTY TREASURER

STATE OF WASHINGTON) ss
COUNTY OF CLATSOP)
I, CLERK OF COUNTY, do hereby certify that the within
instrument was duly recorded by _____
CLARK COUNTY TITLE CO.
OF VANCOUVER, WA.
AT 2:50 P. AUG. 20 85
84
DEED 933

HM Olson

L. Davis