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BOOK 111 PAGE 127

FILED FOR RECORD  
SKAMANIA CO. WASH  
BY CLARK COUNTY TITLE

WHEN RECORDED RETURN TO:  
MOZENA & ARMSTRONG, P.S.  
ATTORNEYS AT LAW  
2901 MAIN STREET  
VANCOUVER, WASHINGTON 98663

OCT 6 1 52 PM '88  
A. New, Dep.  
AUDITOR  
GARY H. OLSON

ANY OPTIONAL PROVISION NOT INITIALED BY ALL PERSONS SIGNING  
THIS CONTRACT -- WHETHER INDIVIDUALLY OR AS AN OFFICER OR  
AGENT -- IS NOT A PART OF THIS CONTRACT.

REAL ESTATE CONTRACT  
(RESIDENTIAL SHORT FORM)

1. PARTIES AND DATE. This Contract is entered into on  
September 29, 1988, between RAYMOND EUGENE PIERCE and  
FRANCES M. PIERCE, Husband and Wife, as "Seller" and HERBERT  
R. THOMAS and NORA B. THOMAS, Husband and Wife as Buyer.

2. SALE AND LEGAL DESCRIPTION. Seller agrees to sell to  
Buyer and Buyer agrees to purchase from Seller the following  
described real estate in Skamania County, state of  
Washington:

Lots 7, 8, 14 and 15 of DUNCAN CREEK ADDITION according  
to the official plat thereof on file and of record in  
the office of the Auditor of Skamania County,  
Washington, situated in the Northeast quarter of the  
Southwest quarter of Section 34, Township 2 North,  
Range 6 E.W.M.;

TOGETHER with that portion of Sams Road as designated  
on said plat lying between Duncan Creek and the West  
line of said Lots 8 and 14 of Duncan Creek Addition,  
which road was vacated by ordinance of the Board of  
County Commissioners of said County adopted July 2,  
1962.

SUBJECT TO and TOGETHER WITH the provisions of the  
Water Agreement bearing date of November 17, 1972,  
between Grace M. Walker and Lindsay Hazard, et ux, and  
their heirs and assigns, relating to the aforesaid  
property.

3. PERSONAL PROPERTY. Personal property, if any, included  
in the sale is as follows:

All attached floor coverings, attached television antenna,  
window screens, screen doors, storm windows, storm doors,  
plumbing and lighting fixtures (except floor, standing, and  
swag lamps), shades and venetian blinds, curtain rods,  
attached bathroom fixtures, trees, plants, shrubbery, water

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heating apparatus and fixtures, awnings, ventilating, cooling and heating systems including built in and "drop in" ranges (but excepting all other ranges) and all other fixtures that are now on the premises shall be included in the sale unless otherwise provided herein. The following appliances and other fixtures are leased and are included in sale unless specifically stated herein, and Seller agrees to acquire title to same prior to closing: none. Also included in this sale are: portable bar, wood bin, lumber in garage and shop, and satellite dish and cable.

No part of the purchase price is attributed to personal property.

4. (a) PRICE. Buyer agrees to pay:
- |            |             |                           |
|------------|-------------|---------------------------|
|            | \$63,000.00 | Total Price               |
| Less       | \$23,000.00 | Down Payment              |
| Results in | \$40,000.00 | Amount Financed by Seller |

- (b) PAYMENT OF AMOUNT FINANCED BY SELLER. Buyer agrees to pay the sum of \$40,000.00, plus accrued interest on the unpaid principal balance thereof at the rate of ten percent (10%) per annum as follows: \$363.49 or more at Buyer's option on or before one calendar month from date of closing; and a like amount or more on or before the 1st day of each and every month thereafter until paid in full.

Payments are applied first to interest and then to principal. Payments shall be made at ~~Sam's Road, Skamania, Washington~~, or such other place as the Seller may hereafter indicate in writing. *55 W. Washington, Yakima, WA*

5. OTHER ENCUMBRANCES AGAINST THE PROPERTY. The property is subject to encumbrances including the following listed tenancies, easements, restrictions and reservations in addition to the obligations assumed by Buyer and the obligations being paid by Seller: All easements, restrictions, reservations, and covenants of record. Additionally, rights reserved in federal patents or state deeds, building or use restrictions general to the area existing easement not inconsistent with Purchaser's intended use, and building or zoning regulations or provisions shall not be deemed encumbrances or defects. Encumbrances to be discharged by Seller may be paid out of purchase money at date of closing.

6. FULFILLMENT DEED. Upon payment of all amounts due Seller, Seller agrees to delivery to Buyer a Statutory Warranty Deed in fulfillment of this Contract. The covenants of warranty in said deed shall not apply to any encumbrances assumed by Buyer or to defects in title arising subsequent to the date of this Contract by, through or under persons other than the Seller herein. Any personal property

included in the sale shall be included in the fulfillment deed.

7. LATE CHARGES. If any payment on the purchase price is not made within ten (10) days after the date it is due, Buyer agrees to pay a late charge equal to 5% of the amount of such payment. Such late payment charge shall be in addition to all other remedies available to Seller and the first amounts received from Buyer after such late charges are due shall be applied to the late charges.

8. NO ADVERSE EFFECT ON PRIOR ENCUMBRANCES. Seller warrants that entry into this Contract will not cause in any prior encumbrance (a) a breach, (b) accelerated payments, or (c) an increased interest rate; unless (a), (b), or (c) has been consented to by Buyer in writing.

9. POSSESSION. Buyer is entitled to possession of the property from and after the date of this Contract, on the 5<sup>th</sup> day of October, 1988, whichever is later, subject to any tenancies described in Paragraph 5.

10. TAXES, ASSESSMENTS AND UTILITY LIENS. Buyer agrees to pay by the date due all taxes and assessments becoming a lien against the property after the date of this Contract. Buyer may in good faith contest any such taxes or assessments so long as no forfeiture or sale of the property is threatened as the result of such contest. Buyer agrees to pay when due any utility charges which may become liens superior to Seller's interest under this Contract. If real estate taxes and penalties are assessed against the property subsequent to date of this Contract because of a change in use prior to the date of this Contract for Open Space, Farm, Agricultural or Timber classifications approved by the County or because of a Senior Citizen's Declaration to Defer Property Taxes filed prior to the date of this Contract, Buyer may demand in writing payment of such taxes and penalties within 30 days. If payment is not made, Buyer may pay and deduct the amount thereof plus 5% penalty from the payments next becoming due Seller under the Contract.

11. INSURANCE. Buyer agrees to keep all buildings now or hereafter erected on the property described herein continuously insured under fire and extended coverage policies in an amount not less than the balances owed on obligations assumed by Buyer plus the balance due Seller, or full insurable value, whichever is lower. All policies shall be held by the Seller and be in such companies as the Seller may approve and have loss payable first to any holders of underlying encumbrances, then to Seller as their interests may appear and then to Buyer. Buyer may within 30 days after loss negotiate a contract to substantially restore the premises to their condition before the loss. If the insurance proceeds are sufficient to pay the contract price for

restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless the underlying encumbrances provide otherwise. Otherwise the amount collected under any insurance policy shall be applied upon any amounts due hereunder in such order as the Seller shall determine. In the event of forfeiture, all rights of Buyer in insurance policies then in force shall pass to Seller.

12. NONPAYMENT OF TAXES, INSURANCE AND UTILITIES CONSTITUTING LIENS. If Buyer fails to pay taxes or assessments, insurance premiums or utility charges constituting liens prior to Seller's interest under this Contract, Seller may pay such items and Buyer shall forthwith pay Seller the amount thereof plus a late charge of 5% of the amount thereof plus any costs and attorneys' fees incurred in connection with making such payment.

13. CONDITION OF PROPERTY. Buyer accepts the property in its present condition and acknowledges that Seller, his agents and subagents have made no representation or warranty concerning the physical condition of the property or the uses to which it may be put other than as set forth herein. Buyer agrees to maintain the property in such condition as complies with all applicable laws.

14. RISK OF LOSS. Buyer shall bear the risk of loss for destruction or condemnation of the property. Any such loss shall not relieve Buyer from any of Buyer's obligations pursuant to this Contract.

15. WASTE. Buyer shall keep the property in good repair and shall not commit or suffer waste or willful damage to or destruction of the property. Buyer shall not remove commercial timber without the written consent of Seller.

16. AGRICULTURAL USE. If this property is to be used principally for agricultural purposes, Buyer agrees to conduct farm and livestock operations in accordance with good husbandry practices. In the event a forfeiture action is instituted, Buyer consents to Seller's entry on the premises to take any reasonable action to conserve soil, crops, trees and livestock.

17. CONDEMNATION. Seller and Buyer may each appear as owners of an interest in the property in any action concerning condemnation of any part of the property. Buyer may within 30 days after condemnation and removal of improvements, negotiate a contract to substantially restore the premises to their condition before the removal. If the condemnation proceeds are sufficient to pay the contract price for restoration or if the Buyer deposits in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless



underlying encumbrances provide otherwise. Otherwise, proceeds of the award shall be applied in payment of the balance due on the purchase price, as Seller may direct.

18. DEFAULT. If the Buyer fails to observe or perform any term, covenant or condition of this Contract, Seller may:

(a) Suit for Installments. Sue for any delinquent periodic payment; or

(b) Specific Performance. Sue for specific performance of any of Buyer's obligations pursuant to this Contract; or

(c) Forfeit Buyer's Interest. Forfeit this Contract pursuant to Ch.16.30, RCW, as it is presently enacted and may hereafter be amended. The effect of such forfeiture included: (i) all right, title and interest in the property of the Buyer and all persons claiming through the Buyer shall be terminated; (ii) the Buyer's rights under the Contract shall be cancelled; (iii) all sums previously paid under the Contract shall belong to and be retained by the Seller or other person to whom paid and entitled thereto; (iv) all improvements made to and unharvested crops on the property shall belong to the Seller; and (v) Buyer shall be required to surrender possession of the property, improvements, and unharvested crops to the Seller 10 days after the forfeiture.

(d) Acceleration of Balance Due. Give Buyer written notice demanding payment of a late charge of 5% of the amount of such delinquent payments and payment of Seller's reasonable attorneys' fees and costs incurred for services in preparing and sending such Notice and stating that if payment pursuant to said Notice is not received within thirty (30) days after the date said Notice is either deposited in the mail addressed to the Buyer or personally delivered to the Buyer, the entire balance owing, including interest, will become immediately due and payable. Seller may thereupon institute suit for payment of such balance, interest, late charge and reasonable attorneys' fees and costs.

19. RECEIVER. If Seller has instituted any proceedings specified in Paragraph 20 and Buyer is receiving rental or other income from the property, Buyer agrees that the appointment of a receiver for the property is necessary to protect Seller's interest.

20. BUYER'S REMEDY FOR SELLER'S DEFAULT. If Seller fails to observe or perform any term, covenant or condition of this Contract, Buyer may, after 30 days' written notice to Seller, institute suit for damages or specific performance unless the breaches designated in said notice are cured.

21. NON-WAIVER. Failure of either party to insist upon strict performance of the other party's obligations hereunder shall not be construed as a waiver of strict performance thereafter of all of the other party's obligations hereunder and shall not prejudice any remedies as provided herein.

22. ATTORNEYS' FEES AND COSTS. In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorneys' fees and costs, including costs of service of notices and title searches, incurred by the other party. The prevailing party in any suit instituted arising out of this Contract and in any forfeiture proceedings arising out of this Contract shall be entitled to receive reasonable attorneys' fees and costs incurred in such suit or proceedings.

23. NOTICES. Notices shall be either personally served or shall be sent certified mail, return receipt requested and by regular first class mail to Buyer at Sams Rd, M.P. .01,

Skamania, WA 98648, and to Seller

at Broadmoor Mobile Home Park, 55 W. Washington, Space 108, or such other addresses as either party may specify in writing to the other party. Notices shall be deemed given when served or mailed. Notice to Seller shall also be sent to any institution receiving payments on the Contract.

24. TIME FOR PERFORMANCE. Time is of the essence in performance of any obligations pursuant to this Contract.

25. SUCCESSORS AND ASSIGNS. Subject to any restrictions against assignment, the provisions of this Contract shall be binding on the heirs, successors and assigns of the Seller and the Buyer.

26. OPTIONAL PROVISION -- ALTERATIONS. Buyer shall not make any substantial alteration to the improvements on the property without the prior written consent of Seller, which consent will not be unreasonably withheld.

SELLER

INITIALS:

BUYER

N/A

27. OPTIONAL PROVISION -- DUE ON SALE. If Buyer, without written consent of Seller, (a) conveys, (b) sells, (c) leases, (d) assigns, (e) contracts to convey, sell, lease or assign, (f) grants an option to buy the property, (g) permits a forfeiture or foreclosure or trustee or sheriff's sale of any of the Buyer's interest in the property or this Contract, Seller may at any time thereafter either raise the interest rate on the balance of the

purchase price or declare the entire balance of the purchase price due and payable. If one or more of the entities comprising the Buyer is a corporation, any transfer or successive transfers in the nature of items (a) through (g) above of 49% or more of the outstanding capital stock shall enable Seller to take the above action. A lease of less than three years (including options for renewals), a transfer to a spouse or child of Buyer, a transfer incident to a marriage dissolution or condemnation, and a transfer by inheritance will not enable Seller to take any action pursuant to this Paragraph; provided the transferee other than a condemnor agrees in writing that the provision of this paragraph apply to any subsequent transaction involving the property entered into by the transferee.

SELLER  
*X Raymond E. Pierce*  
*X Francis M. Pierce*

INITIALS:

BUYER

*X Herbert R. Thomas*  
*X Thos B Thomas*

28. OPTIONAL PROVISION -- PRE-PAYMENT PENALTIES ON PRIOR ENCUMBRANCES. If Buyer elects to make payments in excess of the minimum required payments on the purchase price herein, and Seller, because of such prepayments, incurs prepayment penalties on prior encumbrances, Buyer agrees to forthwith pay Seller the amount of such penalties in addition to payments on the purchase price.

SELLER

INITIALS:

BUYER

N/A

29. OPTIONAL PROVISION -- PRE-PAYMENT PENALTIES ON PRIOR ENCUMBRANCES. If Buyer elects to make payments in excess of the minimum required payments on the purchase price herein, and Seller, because of such prepayments, incurs prepayment penalties on prior encumbrances, Buyer agrees to forthwith pay Seller the amount of such penalties in addition to payments on the purchase price.

SELLER

INITIALS:

BUYER

N/A

30. OPTIONAL PROVISION -- PERIODIC PAYMENTS ON TAXES AND INSURANCE. In addition to the periodic payments on the purchase price, Buyer agrees to pay Seller such portion of the real estate taxes and assessments and fire insurance premium as will approximately total the amount due during the current year based on Seller's reasonable estimate.

N/A

The payments during the current year shall be \$ \_\_\_\_\_ per  
 \_\_\_\_\_. Such "reserve" payments from Buyer shall not  
 accrue interest. Seller shall pay when due all real estate  
 taxes and insurance premiums, if any, and debit the amounts  
 so paid to the reserve account. Buyer and Seller shall  
 adjust the reserve account in April of each year to reflect  
 excess or deficit balances and changed costs. Buyer agrees  
 to bring the reserve account balance to a minimum of \$10.00  
 at the time of adjustment.

SELLER

INITIALS:

BUYER

N/A

31. ADDENDA. Any addenda attached hereto are a part of  
 this Contract.

32. ENTIRE AGREEMENT. This Contract constitutes the entire  
 agreement of the parties and supercedes all prior agreements  
 and understandings, written or oral. This Contract may be  
 amended only in writing executed by Seller and Buyer.

IN WITNESS WHEREOF the parties have signed and sealed this  
 Contract the day and year first above written.

SELLER

BUYER

*Raymond Eugene Pierce*  
 RAYMOND EUGENE PIERCE

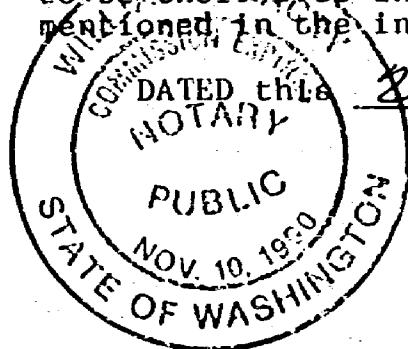
*Herbert R. Thomas*  
 HERBERT R. THOMAS

*Frances M. Pierce*  
 FRANCES M. PIERCE

*Nora B. Thomas*  
 NORA B. THOMAS

STATE OF WASHINGTON )  
 : ss.  
 County of Clark )

I certify that I know or have satisfactory evidence  
 that RAYMOND EUGENE PIERCE and FRANCES M. PIERCE are the  
 persons who appeared before me, and said persons acknowl-  
 edged that they signed this instrument and acknowledged it  
 to be their free and voluntary act for the uses and purposes  
 mentioned in the instrument.



DATED this 29 day of September, 1988.

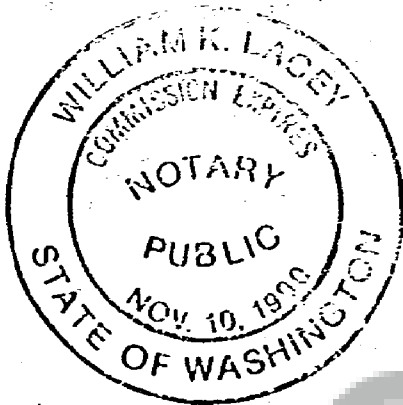
*William K. Lacey*  
 Title: NOTARY PUBLIC  
 My Appt. Expires: 10/10/90



STATE OF WASHINGTON )  
                                  : ss.  
County of Clark        )

I certify that I know or have satisfactory evidence that HERBERT R. THOMAS and NORA B. THOMAS are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

DATED this 29 day of September, 1988.



*William K. Lacey*  
Title: NOTARY PUBLIC  
My Appt. Expires: 10/10/90

WKL14:bj