

AFTER RECORDING RETURN TO:
SEND ALL TAX STATEMENTS TO:

Tracy Zoller
38 Northwestern Lake Rd.
White Salmon, WA 98672

FILED FOR RECORD
SKAMANIA CO. WASH
BY *Landerholm, Memovich
etc.*
SEP 6 12 36 PM '95
P. Savory
AUDITOR
GARY M. OLSON

123241

BOOK 152 PAGE 240

REAL ESTATE CONTRACT

1. Effective Date: August 24, 1995
2. Seller: Tracy and Lorraine Zoller, husband and wife
3. Purchaser: Phillip T. and Sherri L. Zoller, husband and wife
4. Property:

(a) Property. The Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller, Seller's leasehold interest and the improvements and fixtures located on the following described real estate, situated in Skamania County, Washington, also depicted in the map attached hereto as Exhibit "A" (the "Property"):

Northwestern Lake Cabin Site No. 15
(PD-13-WA-257)
located in Section 2, Township 3 North, Range 10 East
Skamania County, WA

5. Purchase Price. Purchase price of the Property is \$90,000.00, of which \$10,000.00 has been paid, the receipt of which is hereby acknowledged. The balance of \$80,000.00 shall be paid in monthly installments of \$643.70, beginning October 1, 1995, and continuing on the same day of each month thereafter until September 1, 2000 when the entire unpaid principal balance and any accrued and unpaid interest shall be due in full. The unpaid balance of the purchase price shall at all times bear interest at nine percent 9% per annum, commencing on the date of this agreement.

RECORDER'S NOTE: EXHIBIT "A" NOT
ATTACHED AT TIME OF RECORDING.

REAL ESTATE CONTRACT - 1

17604 REAL ESTATE EXCISE TAX

SEP 6 1995
PAID 1152.00
SW
SKAMANIA COUNTY TREASURER

Dep. stored
Indexed, Cir
Indirect
Filed
Noted

LAW OFFICES OF
Landerholm, Memovich,
Lansverk & Whitesides, Inc., P.S.
Broadway at Evergreen, Suite 400
P.O. Box 1086
Vancouver, Washington 98606
(206) 696-3312

Gary M. Olson, Skamania County Auditor
Date 9/6/95 Page 8 of 10-2-415

If any payment on the purchase price is not made within fifteen (15) days after the date it is due, Purchaser agrees to pay a late charge equal to \$15.00. Such late payment charge shall be in addition to all other remedies available to Seller and the first amounts received from Purchaser after such late charges are due shall be applied to the late charges.

Each payment shall be first applied against the costs, expenses and late charges for which the Purchaser is then liable hereunder, secondly against interest, and thirdly against the principal then due to the Seller. All payments shall be made at the place designated by the Seller.

6. Ground Lease. Purchaser acknowledges that the Property is located on land leased to Seller by Pacific Power/Pacificorp by Cabin Site Lease dated July 1, 1993. Seller shall assign the lessee's interest in said Lease by Assignment dated the same date as this contract. Purchaser acknowledges the receipt and review of the Pacificorp Lease, and agrees to be bound by all of its terms and conditions as if a party thereto.

7. Retention of Title, Security and Deed. When Purchaser has fully performed this contract Seller shall execute and deliver to Purchaser a Warranty Deed and/or Bill of Sale conveying the Property free and clear of all encumbrances except any encumbrances agreed to by Purchaser and any encumbrances that may accrue hereafter due to any person other than the Seller.

8. Possession. Purchaser shall be entitled to possession of the Property from and after the completion and occupancy of Seller's home currently under construction on the Klickitat River.

9. Taxes and Insurance. Purchaser shall pay before delinquency all taxes, assessments, water rents or water assessments, utility charges, and operation or construction charges not now delinquent, and all levied or assessed against the Property and hereafter falling due. In the event any taxes, assessments, rents, or charges to be paid by Purchaser are paid by Seller, Purchaser shall promptly reimburse Seller. Upon failure of Purchaser to pay any taxes, assessments, rents or charges to be paid by Purchaser, Seller may, at his option, declare a forfeiture of this contract or pay and discharge any such assessment, rent or charge and any amount so paid shall be added to and be secured in the same manner as the unpaid purchase price, bear interest at the rate of twelve percent (12%) per annum, and be due immediately.

In the event of a delinquency in the payment of taxes and assessments, Seller shall have the option to require, in addition to the monthly installments on the purchase price, such portion of the real estate taxes and assessments as will reasonably approximately total the amount due during the current year based on Seller's reasonable estimate.

Such "reserve" payments from Purchaser shall not accrue interest. Seller shall pay when due all real estate taxes and debit the amounts so paid to the reserve account. Purchaser and Seller shall adjust the reserve account in April of each year to reflect excess or deficit balances and changed costs.

10. Prepayment. Purchaser may prepay the entire amount remaining due pursuant to this Real Estate Contract when such payment is accompanied by all interest then due.

11. Title Insurance. If requested by Purchaser, Seller agrees to procure a standard leasehold form policy of title insurance, insuring the Purchaser to the full extent of the purchase price against loss or damage by reason of defect in the record title of the Seller to the leasehold interest in the real estate herein described, excepting matters herein expressly agreed to by the Purchaser.

12. Risk of Loss. The Purchaser shall bear the risk of loss for the complete or partial destruction or condemnation of the Property after the date of this contract. No loss, damage or destruction of all or part of the Property shall constitute a failure of consideration or a basis for the rescission of this contract or relieve the Purchaser from its obligation to observe and perform all of the terms, covenants and conditions hereof. Each of the parties hereto releases the other from all liability for damage caused by any act or neglect of the other party, its agents, servants and employees, to any property which is the result of fire or other casualty covered by insurance carried at the time of such casualty; provided, however, the releases herein contained shall not apply to loss or damage resulting from the willful or premeditated acts of either of the parties hereto, their agents, servants or employees; and provided further, nothing in this paragraph shall be interpreted or have the effect of relieving or modifying any obligation of any insurance company, and to the extent any such obligation is so relieved or impaired this provision shall be ineffective.

13. Insurance. The Purchaser shall, at its own cost and expense, keep any improvements on the Property insured against loss or damage by fire, windstorm, and all other casualties covered by "all risk" endorsements available in the State of Washington and with such additional coverages or endorsements as the Seller may reasonably require from time to time. Said insurance shall be in an amount not less than the greater of (a) the amount of coverage necessary to avoid the insured being treated as a co-insurer, or (b) one hundred twenty percent (120%) of the then unpaid principal balance of the purchase price for the Property, or (c) such higher amount as may be required by the terms of any prior encumbrance, and shall be placed with an insurance company authorized to do business in the State of Washington. All insurance policies shall expressly include the Seller as a named insured, shall contain a waiver of subrogation clause (to the extent reasonably obtainable), and shall include provisions to the effect that they cannot be materially modified or canceled prior to Seller receiving not less than twenty (20) days'

advance written notice, and accurate and complete copies thereof shall be deposited with the Seller upon written request.

In the event of any failure of the Purchaser to obtain or timely pay any premiums for any insurance required by this paragraph, the Seller may require the Purchaser to deposit with each installment amount an amount reasonably estimated by the Seller to be necessary to discharge the next ensuing premiums for said policies, said estimates to be adjusted by the Seller upon receipt of the premium invoices to reflect the actual amount of such liabilities. The payments so made which have not been applied against such liabilities shall be returned to the Purchaser with the delivery of the Seller's deed to the Purchaser. The Seller shall not be liable for interest on said deposits. If not retained in an escrow or collection account, said funds shall be maintained by the Seller in a segregated account and expended for no other purpose, however, this account may be commingled with any tax reserve account under this contract.

14. Condemnation. If the Property or any part shall be taken and condemned, such taking shall not be a ground for rescission of this contract. The award made for the taking shall be deemed to be the Property of Purchaser, but shall be paid to Seller to apply upon the purchase price, not exceeding any amounts then unpaid hereunder. Seller, Purchaser or both may appear and defend or prosecute in any condemnation proceedings.

15. Maintenance and Inspection. The Purchaser shall keep and maintain the Property in good repair, and shall not commit or suffer to be committed any waste or other willful damage to or destruction of the Property or any portion thereof. The Seller shall have the right, at all reasonable times and hours, to inspect the Property to ascertain whether the Purchaser is complying with all of the terms, covenants and conditions of this contract.

16. Liens. The Purchaser shall not cause, authorize or permit any mechanics' or materialmen's liens to be placed upon the Property. The Purchaser shall have the right to contest said liens so long as a foreclosure thereof is prevented, and if such contest is pursued in good faith the filing of the lien and withholding payment of the lien amount so disputed shall not constitute a default under this contract. No lien of any agent, contractor, subcontractor, or independent contractor of the Purchaser shall encumber any interest of the Seller in the Property. In the event the Purchaser shall alter, repair or improve the real property or erect or construct any new or additional buildings or improvements on the real property or any part thereof (whether acting with or without Seller's consent), all such alterations, repairs, improvements, replacements and additions, including any new buildings and improvements, shall immediately be and become the property of the Seller and subject to all of the terms, covenants and conditions of this contract.

17. Purchaser's Default. Time is of the essence of this contract. The Purchaser shall be in default under this contract if Purchaser (a) fails to observe or perform any term,

covenant or condition herein set forth or those of any prior encumbrances, or Pacificorp Cabin Site Lease or (b) fails or neglects to make any payment of principal or interest or any other amount required to be discharged by the Purchaser precisely when obligated to do so, or (c) becomes or is declared insolvent or makes an assignment for the benefit of creditors, or files any debtor's petition or any reorganization or similar act, or (d) permits the Property or any part thereof or its interests therein to be attached or in any manner restrained or impounded by process of any court, or (e) conveys the Property or a portion thereof without any prior written consent required herein of the Seller.

18. Seller's Remedies. In the event the Purchaser is in default under this contract the Seller may, at Seller's election, take any or all of the following courses of action:

(a) Suit for Delinquencies. The Seller may institute suit for any overdue installment amounts or other sums due and payable under this contract and for any sums which have been advanced by Seller and repayable by Purchaser pursuant to the provisions of this contract, together with interest on all of said amount at the rate provided for by this contract from the date each such amount was advanced or due, as the case may be, to and including the date of collection. The promise to pay intermediate installments is independent of the promise to make a deed. The election by the Seller to proceed under this paragraph 18 (a) shall not bar the right to proceed under any other section of paragraph 18.

(b) Acceleration. In the event Purchaser shall fail to comply with any condition hereof or to make any payment required, the Seller may elect to declare all of the sums obligated to be paid by the Purchaser herein to be immediately due and payable. Prior to acceleration, a thirty (30) day notice of intent to accelerate shall be made by Seller in writing. Within the thirty (30) day period, the Purchaser shall have the right to remove the grounds for acceleration specified in the notice. Acceleration shall be declared, however, unless the Purchaser has paid to the Seller all expenses that Seller has incurred in the declaration of intention to accelerate and service of such notice, including attorney's fees incurred by the Seller. Upon acceleration being declared, all sums due under this contract, including all costs and attorney's fees, shall immediately be payable in full, and Purchaser shall have no right to bring the delinquencies current and reinstate the contract.

(c) Forfeiture and Repossession. Forfeit this Contract pursuant to Ch. 61.30, RCW, as it is presently enacted and may hereafter be amended. The effect of such forfeiture includes; (i) all right, title and interest in the Property of the Purchaser and all persons claiming through the Purchaser shall be terminated; (ii) The Purchaser's rights under the Contract shall be canceled; (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) Purchaser shall be required to surrender possession of the Property, improvements, and unharvested crops to the Seller 10 days after forfeiture.

(d) Specific Performance. The Seller may institute suit to specifically enforce any of the Purchaser's obligations hereunder, and the same may include redress by mandatory or prohibitive injunction.

(e) Further Enforcement. The Seller may enforce this Contract under any other method allowed by law. Seller may proceed as to both the real and the personal property in accordance with his rights and remedies in respect to the real property.

(f) Cumulative Remedies. The remedies stated herein are cumulative and not mutually exclusive and the Seller may pursue any other or further remedies to enforce this contract.

19. Waivers. No waiver of any rights of either party under this contract shall be effective unless specifically evidenced in a written agreement executed by the waiving party. Any forbearance, including, without limitation, a party's acceptance of any payment after the due date or any extension thereof, shall not be considered a waiver of such party's right to pursue any remedy hereunder for any other existing or subsequent defaults of the same or a different nature or for breach of any other term, covenant or condition hereof.

20. Attorney's Fees.

(a) If this contract or any obligation contained in it is referred to an attorney for collection or realization, Purchaser agrees to pay Seller's attorney's fees, including fees incurred with or without legal suit, fees incurred in preparation and service of notices, expenses of searching records to determine the condition of title, and all other related legal expenses.

(b) In the event litigation arises out of this contract, the losing party agrees to pay the prevailing party's attorney's fee, together with all costs and expenses incurred in connection with such action, including the cost of searching records to determine the condition of title.

21. Compliance with Laws and Restrictions. The Purchaser shall faithfully observe, perform and comply with all laws, ordinances, rules and regulations of every governmental authority affecting the Property; all easements, reservations, restrictions, covenants and conditions of record affecting or pertaining to the Property; and cooperative declarations, articles, by-laws, rules, regulations and other documents which have been or are hereafter adopted with respect to the Property. The Purchaser shall not use or permit any person to use the Property for or in connection with any unlawful purpose or in any manner which cause a nuisance.

22. Notices. Any notices required or permitted by law or under this contract shall be in writing and shall be sent by first class certified or registered mail, return receipt requested, with postage prepaid, to the parties' addresses set forth in paragraphs 28 and 29 of this contract. Either party may change such address for notice and, if payments are not made to an escrow or collection account, the Seller may change the address for payments, by designating the same to the other party hereto in the manner hereinabove set forth and by causing a copy of such change to be properly recorded. All notices which are so addressed and paid for shall be deemed effective two (2) business days following the deposit thereof in the U.S. mail, irrespective of actual receipt of such notice by the addressee.

23. Successors. Subject to the restrictions contained in this contract, the rights and obligations of the Seller and the Purchaser shall inure to the benefit of and be binding upon their respective estates, heirs, executors, administrators, successors, successors in trust and assigns; provided, however, no person to whom this contract is pledged or assigned for security purposes by either party hereto shall, in the absence of an express, written assumption by such party, be liable for the performance of any covenant herein. Any assignee of any interest in this contract, or any holder of any interest in the Property, shall have the right to cure any default in the manner permitted and between the time periods required of the defaulting party, but except as otherwise required by law, no notices in addition to those provided for in this contract need be given.

Purchaser shall not assign or otherwise transfer or encumber their interest in this contract or the Property or the leasehold interest without the prior written consent of Seller.

24. Entire Agreement. This contract contains the entire agreement of the parties hereto and, except for any agreements or warranties otherwise stated in writing to survive the execution and delivery of this contract, supersedes all of their previous understandings and agreements, written and oral, with respect to this transaction. Neither the Seller nor the Purchaser shall be liable to the other for any representations made by any person concerning the Property or regarding the terms of this contract, except to the extent that the same are expressed in this instrument. This contract may be amended only by written instrument executed by the Seller and the Purchaser subsequent to the date hereof.

25. Applicable Law and Venue. This contract shall be governed by and construed in accordance with the laws of the State of Washington and in the event of any litigation arising out of this contract, the parties hereto stipulate and agree that the venue of any such action shall be laid in Skamania County, Washington.

26. Number, Gender and Captions. In construing this contract, it is understood that if the context so requires the singular pronoun shall be taken to mean and include the

plural, the masculine, the feminine, and the neuter, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply generally to one or more individuals and/or corporations and partnerships. All captions and paragraph headings used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this contract.

27. Disclosure of Representation. It is understood that this contract has been prepared by the law firm of Landerholm, Memovich, Lansverk & Whitesides, Inc., P.S., for the benefit of the Seller hereunder; and that the Purchaser has been informed of that fact, and has been afforded an opportunity to receive counsel with respect to this contract from Purchaser's own attorneys.

28. Seller's Address. 38 Northwestern Lake Rd.
White Salmon, WA 98672

29. Purchaser's Address. 1244 Hwy 141
White Salmon, WA 98672

30. Life Insurance. Purchasers agree that so long as there is a balance due Seller under the terms of this Contract they will obtain and maintain life insurance policies on each Purchaser naming Sellers as beneficiaries in an amount at least equal to the outstanding principal balance due under this Contract.

IN WITNESS WHEREOF, the parties hereto have signed this instrument this 24 day of August, 1995.

Seller:

Purchaser:

Tracy Zoller
Tracy Zoller

Phillip T. Zoller
Phillip T. Zoller

Korraine Zoller
Korraine Zoller

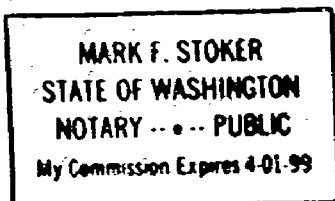
Sherri L. Zoller
Sherri L. Zoller

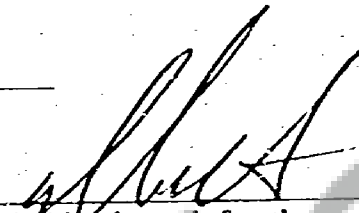
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STATE OF WASHINGTON)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that Tracy Zoller signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 8/24/95

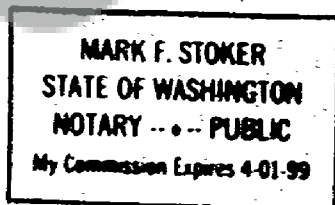


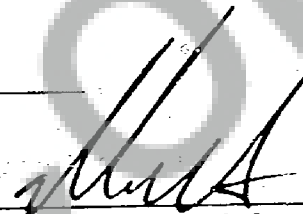

Notary Public in and for the
State of Washington, residing
at Vancouver.
My appointment expires: 4-1-99

STATE OF WASHINGTON)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that Lorraine Zoller signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 8/24/95




Notary Public in and for the
State of Washington, residing
at Vancouver.
My appointment expires: 4-1-99

REAL ESTATE CONTRACT - 9

LAW OFFICES OF
Landerholm, Menovich,
Landerholm & Whitesides, Inc., P.S.
Broadway at Evergreen, Suite 400
P.O. Box 1086
Vancouver, Washington 98668
(206) 696-3312

BOOK 152 PAGE 249

STATE OF WASHINGTON)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that Phillip T. Zoller signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 8/30/95

JANE LAREMORE
STATE OF WASHINGTON
NOTARY - - - PUBLIC
My Commission Expires 7-6-99

Jane Laremore
Notary Public in and for the
State of Washington, residing
at Vancouver, CLATSOP COUNTY
My appointment expires: 7/6/99

STATE OF WASHINGTON)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that Sherri L. Zoller signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in the instrument.

DATED: 8/30/95

JANE LAREMORE
STATE OF WASHINGTON
NOTARY - - - PUBLIC
My Commission Expires 7-6-99

Jane Laremore
Notary Public in and for the
State of Washington, residing
at Vancouver, CLATSOP COUNTY
My appointment expires: 7/6/99

REAL ESTATE CONTRACT - 10

LAW OFFICES OF
Landerholm, Menovich,
Laremore & Whitesides, Inc., P.S.
Broadway at Evergreen, Suite 400
P.O. Box 1086
Vancouver, Washington 98666
(206) 596-3312