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FILED FOR RECORD
SKAMANIA CO. WASH
BY *Walter Alan Mundt*

BOOK 154 PAGE 889

When recorded, return to:
Walter Alan Mundt
6606 Notting Hill Drive
Anchorage, Alaska 99504-4562

JAN 16 1 25 PM '96

P. Lowry
AUDITOR
GARY M. OLSON**REAL ESTATE CONTRACT**

This Real Estate Contract (hereinafter "contract") is made and entered into this 1st day of January, 1996 by and between Walter Alan Mundt, hereinafter referred to as "Seller", and Bruce Clemens, hereinafter referred to as "Purchaser".

WITNESSETH:

That Seller hereby agrees to sell, and Purchaser hereby agrees to purchase, for the consideration stated below, and on the terms, covenants and conditions contained in this contract, and subject thereto, all of the real property described in Exhibit "A", attached hereto and incorporated herein by reference as if fully set forth, hereinafter referred to as "premises", and more commonly known as 27 721 State Road 14, Washougal, Skamania County, Washington, as follows:

REAL ESTATE EXCISE TAX**1. TERMS OF PURCHASE AND CLOSING**

12862 JAN 16 1996

PAID \$1024.00

1.1 **Delivery and Possession.** Seller shall deliver possession of said premises to the Purchaser on or before the date of execution herein.

SKAMANIA COUNTY TREASURER

1.2 **Purchase Price.** Purchaser promises to pay to the Seller the principal sum of EIGHTY THOUSAND & NO/100 Dollars (\$80,000.00) in legal tender as follows:

1.3 **Down Payment.** The sum of FIVE THOUSAND NINE HUNDRED EIGHTY ONE & 26/100 Dollars (\$5,981.26), receipt of which is hereby acknowledged by Seller.

1.4 **Installment Payments and Interest.** The balance of the purchase price, together with interest on the declining principal balance accruing from January 1, 1996, at the rate of Nine and one-half percent (9.50 %) per annum shall be payable as follows:

Monthly installments of not less than SIX HUNDRED SEVENTY FIVE & NO/100 (\$675.00), beginning the 1st day of January, 1996, and continuing on or before the 1st of each succeeding calendar month until December 31, 2005, whereupon the final payment of the balance due under this contract, including principal and interest as computed hereunder, if not sooner paid, shall be due and payable. The monthly payments shall be exclusive of taxes and insurance which Purchaser has agreed to pay when due.

In the event Purchaser is unable to fully satisfy the contract when due on December 31, 2005, Purchaser shall be given the option of refinancing this contract with Seller, or seller's assigns, at such terms as the parties shall mutually agree upon in writing. If such renegotiation is made, the interest rate shall not exceed 12% per annum, the monthly payment shall not exceed EIGHT HUNDRED & NO/100 Dollars (\$800.00) per month, and the terms shall not exceed an additional FIVE (5) years. If the parties can not agree on new terms within FORTY FIVE (45) days after the date

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For	✓
Indirect	✓
Sub	✓
Sub	✓

described above, Purchaser shall be required to fulfill the original terms of the contract and fully satisfy the contract or be in default and subject to forfeiture as described below.

1.5 Prepayment by Purchaser. If Purchaser is not in default hereunder, Purchaser may prepay the principal or any part thereof on any monthly payment date before maturity without payment of premium, penalty or fee, provided, however, that any partial prepayment will not result in the deferment of any subsequent monthly payment.

1.6 Collection Account. Purchaser shall pay the amounts required to be paid to Seller hereunder directly to seller or into a collection account to be established at such place as designated by the seller, the cost of which shall be equally shared between Purchaser and Seller.

1.7 Default Interest. Installments of principal and interest shall bear interest if not paid within ten (10) days after the date due at the rate of twelve percent (12%) per annum, and the entire balance shall bear interest at the rate of twelve percent (12%) per annum after acceleration.

1.8 Late Charge. Notwithstanding any provision above, if a monthly payment is not received within ten (10) calendar days after the monthly due date, Purchaser will be assessed a late fee of FIFTY & NO/100 Dollars (\$50.00) which late fee shall accompany said monthly payment.

2. COVENANTS OF SELLER

Seller, in consideration of the premises, the payments made and to be made by Purchaser, and the covenants herein contained of Purchaser, covenants and agrees as follows:

2.1 Quiet Possession. That Purchaser shall quietly enjoy possession of the premises and all rights, privileges, easements and appurtenances thereto from and after the date of possession (the date hereof, unless otherwise set forth above), and shall have all rents, issues and profits thereof from and after the date of proration set forth above, so long as the Purchaser shall observe and perform all of Purchaser's obligations hereunder.

2.2 Evidence of Title. Seller has delivered, or 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 Transamerica 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 Purchaser is 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 shall be deemed defects in Seller's title.

3. COVENANTS OF PURCHASER

Purchaser, in consideration of the premises and the aforesaid agreements by Seller, hereby covenants and agrees:

3.1 Taxes, Assessments and Other Charges. In addition to the payments of principal and interest, Purchaser will pay directly all real property taxes and all assessments of every kind, all sewer and water rates, and all taxes, rates, charges and other similar impositions which shall after the date hereof be legally payable upon or with respect to said premises, or the use thereof, whether charged against Seller or Purchaser, and Purchaser shall hold Seller fully harmless therefrom.

3.2 Insurance; Restoration. Purchaser will 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 Seller and with loss payable first to Seller as his interest may appear, and to pay all premiums for such insurance and deliver all policies and renewals thereof to the escrow agent. All such policies shall provide that they cannot be amended or cancelled without ten (10) days written notice to Seller and shall contain waiver of subrogation endorsements.

3.3 Restrictions on Transfer.

3.3.1 Rights Personal to Purchaser. The rights hereby granted are personal to Purchaser, and Seller's reliance upon Purchaser's financial condition and integrity is a part of the consideration for this contract. Any sale or transfer of all or any interest of Purchaser in the property shall constitute a default hereunder unless:

A. The transferor shall have fully disclosed more than thirty (30) days prior to any proposed sale or transfer all of the terms, conditions, parties and all other information concerning the proposed sale or transfer, including financial statements, as may be requested by Seller, and Seller shall have, as of the effective date of such proposed sale or transfer, given its approval in writing; and

B. The transferor shall have, prior to the effective date of such transfer, paid all costs and expenses incurred by Seller in connection with analyzing or approving such transfer including, but not limited to, cost of credit investigations, administrative overhead and reasonable attorney fees.

3.3.2 Adjustment in Interest Rate. Notwithstanding the foregoing, in the event of any sale or transfer, whether or not the transferee is to assume the obligation of Purchaser, Seller may at its option, effective upon such transfer, increase the interest rate up to two percentage points above the interest rate in effect immediately prior to such transfer and such higher interest rate shall remain in effect until the principal is paid in full.

3.3.3 Sale or Transfer. For purposes of this paragraph 3.3, a "sale or transfer" shall include, in addition to the common and ordinary meaning of the terms and without limiting their generality, transfers to or from nominees or agents, transfers made to a subsidiary or affiliated entity, transfers made to a restructured limited partnership, transfers by any partnership to the individual

partners or vice versa, transfers by any corporation to its stockholders or vice versa, any corporate merger or consolidation, any lease and any sale by real estate contract.

3.4 Alterations: Improvements. No building or other improvement on the property shall be structurally altered, removed or demolished without Seller's prior written consent, nor shall any fixture or chattel covered by this contract be removed at any time without like consent unless actually replaced by an article of equal suitability, owned by Purchaser, free and clear of any lien or security interest except such as may be approved in writing by Seller.

3.5 Payments Made at Option of Seller. If Purchaser shall fail to pay any taxes, assessments, rates and/or charges, or if Purchaser shall fail to make any other payments required hereunder to be made by Purchaser, or if Purchaser shall fail to keep in force all insurance on improvements as required by this contract, or if Purchaser shall fail to observe or perform any other term, covenant or condition of Purchaser hereunder, then, and in any such event, Seller may make good Purchaser's default and claim and recover from Purchaser upon demand all of Seller's full costs and expenses (including attorney fees) of so doing, with interest thereon at the rate of twelve percent (12%) per annum from the date of demand until paid. If such sums are not paid within five (5) days of demand, all such payments so made by Seller may, at the option of Seller upon notice to Purchaser, be added to and considered a part of the purchase price of the premises.

3.6 Repairs. Purchaser shall at all times keep and maintain the property and all improvements now or hereafter located upon the property in as good a state of repair as they are upon the date of this contract or date of installation as to future improvements, reasonable wear and depreciation excepted. Purchaser shall replace or repair worn out or obsolete portions of the improvements as necessary to keep the improvements as a whole in good operating condition. All maintenance, repair and replacement shall be at Purchaser's sole cost and expense, and neither Seller nor the property shall be liable therefor, nor subject to attachment or lien as a result thereof. This covenant is not to be construed to indicate that Seller has any participation in the maintenance of such improvements or the making of repairs or replacements.

3.7 No Unlawful Usage: No Waste. Purchaser will not use the premises or allow any other person to use the premises for or in connection with any unlawful purpose, and will not commit or suffer any strip or waste of the premises or any improvements.

3.8 Compliance With All Laws. Purchaser will faithfully observe, perform and abide by all laws, governmental ordinances, rules and regulations applicable to said premises, including but not limited to all lawful requirements of any health authority operating with the county, or city and county, in which said property is located.

3.9 Indemnity. Purchaser shall indemnify and hold harmless Seller, including the payment of reasonable attorney fees, against all expenses and claims of every kind relating to the following:

- A. Failure of Purchaser to perform or comply with any of the terms of this contract;
- B. Materialmen or mechanics' liens filed against the property as a result of improvements to the property undertaken by Purchaser; and

C. Injury to or death of a person or loss or damage to the property occurring on the property or arising from any condition or use of the property (except as to such injury, death, loss or damage due to Seller's negligence).

**4. SELLER'S REMEDIES
UPON DEFAULT OF PURCHASER**

4.1 **Default of Purchaser.** A default or breach of this contract by Purchaser shall occur upon the happening of any of the following events:

A. If Purchaser shall fail to pay any of the said installments of the purchase price and/or interest as aforesaid or shall fail to make any other required payment within ten (10) days after any payment becomes payable as aforesaid;

B. If Purchaser (or any one of them if there be more than one) shall become bankrupt or insolvent, or shall seek protection under any provision of any bankruptcy act, or make any assignment for the benefit of creditors, or if Purchaser shall abandon or threaten to abandon said premises, or suffer the premises to be taken under any writ of execution or other legal process;

C. If Purchaser shall fail to faithfully observe or perform any other term, covenant, agreement or condition herein contained and on the part of Purchaser to be observed and/or performed. In the event a default or breach of this contract by Purchaser shall occur, Seller shall give Purchaser written notice of such default and, if Purchaser, after receiving notice from Seller of such default, shall not cure the same within thirty (30) days thereafter, or if the breach cannot reasonably be cured within such thirty (30) day period, then if Purchaser does not commence to cure such breach within such thirty (30) day period and thereafter diligently bring the cure to completion, then Seller shall have the remedies set forth below.

4.2 **Seller's Remedies.** If a default of Purchaser shall occur, and not be cured by Purchaser within the time limits set forth above, then Seller shall have the following remedies:

4.2.1 **Suit for Delinquencies.** Seller may institute suit for any installments or other sums then due and payable under this contract together with any sums advanced by Seller for payment of delinquencies such as water assessments, taxes and insurance, together with interest thereon at the rate of twelve percent (12%) per annum from the date such payment was advanced or due, as the case may be.

4.2.2 **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 Seller for and the amount of any delinquencies for items such as water assessments, taxes, insurance and other expenses incurred to protect Seller's interest in the property, together with interest thereon at the rate of twelve percent (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.

4.2.3 **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 sustained by said default. If a forfeiture is declared all payments which, but for the forfeiture, would have become due during the above-specified thirty (30) day period and all costs and expenses, including but not limited to costs of title search and a reasonable attorney fee incurred by Seller 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 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 further liquidated damages should Purchaser remain in default in any respect on the expiration of the thirty (30) day period.

4.2.4 Recovery of Possession in Event of Forfeiture. In the event of Purchaser's default and Seller's election to declare a forfeiture, Purchaser's right to possession of said property shall cease and terminate and without legal proceedings and without permission of Purchaser, Seller shall be entitled to reenter the property and take possession, and in so doing may summarily eject Purchaser and all persons having possession of the property by, through or under Purchaser, and Seller shall not be liable for any damages for repossessing the property. In the event Purchaser shall remain in possession of said property after this contract is cancelled as aforesaid, Purchaser shall be deemed to be a tenant-at-will and shall be obligated to pay during the period of such tenancy a fair rental value of said property, and Seller shall have all remedies for the collection of such rent and for recovering the possession of said property that are available to landlords under the laws of the State of Washington, including the right to institute an action for summary possession as provided by RCW 59 of the laws of the State of Washington, as amended from time to time.

4.2.5 Specific Performance. Seller may institute suit to specifically enforce any of Purchaser's covenants hereunder. The failure of Seller to elect to pursue any of the above remedies at any time upon a breach of any of the terms of this contract by Purchaser shall be deemed only an indulgence by 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 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. Purchaser's covenants to pay the accelerated balance and/or any intermediate installments and/or any other payments made by Seller and repayable by Purchaser in event of default are independent of the covenant to make a deed and every action is an action arising on a contract for the recovery of money only, as if the promise to pay had been expressed in a different instrument. Any delay or failure of Seller to take action upon default shall not be construed as a waiver of said default.

4.2.6 Other Remedies Reserved: Election and Waiver. Seller may pursue any one or combination of the foregoing or any other or further legal or equitable remedies available to the end that Seller shall be made whole. The pursuit of any one or more of the remedies set forth above or the acceptance of any payment due shall not constitute an election or waiver of Seller's rights to enforce any other remedy for any default on the part of Purchaser.

5. REMEDIES OF PURCHASER

In the event Seller shall breach or default in any covenant or obligation of Seller hereunder, Purchaser may bring an action against Seller for specific performance of this contract and/or pursue such other remedy as shall be allowed at law or in equity, all toward the end of making Purchaser hereunder whole.

6. MUTUAL AGREEMENTS, OBLIGATIONS,
COVENANTS AND CONSTRUCTION OF CONTRACT

It is mutually understood and agreed as follows:

6.1 Risk of Loss. As of the date of possession set forth in paragraph 1.1, Purchaser assumes all hazards of damage to or destruction of any improvements now on said real estate or hereafter placed thereon, and of the taking of said real estate or any part thereof for public use, and agrees that no such damage, destruction or taking shall 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 Seller and applied as payment on the purchase price herein unless Seller elects to allow Purchaser to apply all or a portion of such condemnation award to the rebuilding or restoration of any improvements damaged by such taking. In case of damage or destruction from a peril insured against, the proceeds of such insurance remaining after payment of the reasonable expense of procuring the same shall be devoted to the restoration or rebuilding of such improvements within a reasonable time, unless Purchaser elects that said proceeds be paid to Seller for application on the purchase price herein.

6.2 Inspection. Upon the giving of reasonable notice in writing, Seller shall have the right to make reasonable inspections of the property to determine whether Purchaser is complying with this contract.

6.3 Costs and Attorney Fees. If any party hereto shall ever be in default with respect to this contract and the other party shall incur costs or employ an attorney to make any demand or to otherwise protect or enforce its rights herein (or if any party shall without any fault on its part be made a party to any litigation, including without limitation any bankruptcy or insolvency proceeding, but excluding any condemnation proceeding commenced by or against the other party), the party in default (or the party commencing or against whom said litigation is commenced) shall pay all costs and expenses incurred by the other party, including costs of court and reasonable attorney fees.

6.4 Entire Agreement. This contract shall constitute the entire agreement between the parties and shall not be modified except by an instrument in writing signed by all of the parties hereto.

6.5 Notices. 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 personal delivery of the notice, or by certified or registered mail, return receipt requested, addressed as follows:

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TO PURCHASER: Bruce Clemens

27,722 L. State Hwy 14
Wachougal, WA. 98671

TO SELLER:

Walter Alan Mundt
6606 Notting Hill Drive
Anchorage, Alaska 99504-4562

Any party may change its address by giving written notice to the other parties in the manner provided above. 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.

6.6 Severability. If any provision of this contract is held invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provisions hereof.

6.7 Time and Choice of Law. Time is of the essence of this contract. It is of the essence of this contract that Purchaser shall faithfully and punctually pay to Seller all sums of money, including interest coming due under this contract or secured hereby. Purchaser shall faithfully and punctually observe and perform each and every of Purchaser's undertakings hereunder, and shall in no way jeopardize the property or Seller's title therein, or Seller's interest in this contract. This contract shall be governed by and construed in accordance with the laws of the State of Washington.

6.8 Miscellaneous.

6.8.1 Usage. As used in this contract, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others whenever the context so indicates.

6.8.2 Capacity. Each person signing below executes this contract in his or her individual capacity and on behalf of any marital community of which he or she is a member.

6.8.3 Paragraph Headings. Paragraphs headings have been included for the convenience of the parties and shall not be considered a part of this agreement for any purpose relating to construction or interpretation of the terms of this contract.

6.8.4 Binding Effect. The terms and provisions of this contract shall be binding upon and shall inure to the benefit of the legal representatives and proper assigns and successors of the parties.

IN WITNESS WHEREOF, Seller and Purchaser have executed these presents as of the day and year first above written.

Walter Alan Mundt
Walter Alan Mundt, Seller

Bruce A. Clemens
Bruce Clemens, Purchaser

STATE OF Alaska)
Third Judicial District : ss.
COUNTY OF _____)

On this day personally appeared before me Walter Alan Mundt, to me known to be the individual(s) described herein and who executed the within and foregoing Real Estate Contract, and acknowledged to me that they executed 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 4th day of December, 1995 (12)
Trish Kastner
January 1996

NOTARY PUBLIC in and for the State of Alaska
Residing at Eagle River, Alaska
My Appointment Expires: July 28, 1999



STATE OF WASHINGTON)
COUNTY OF Clark : ss.
)

On this day personally appeared before me Bruce Clemens, to me known to be the individual(s) described herein and who executed the within and foregoing Real Estate Contract, and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 22 day of December, 1995.

Lawrence J. Holzman
Lawrence J. Holzman
NOTARY PUBLIC in and for the State of Washington,
Residing at Vancouver
My Appointment Expires: 10-1-99

LAWRENCE J. HOLZMAN
STATE OF WASHINGTON
NOTARY ---- PUBLIC
MY COMMISSION EXPIRES 10-01-99

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EXHIBIT "A"

That certain real property located in Skamania County, Washington, to wit:

That portion of the Northeast quarter of Section 11, Township 1 North, Range 5 East of the Willamette Meridian, described as follows: BEGINNING at a point on the North boundary of the North Bank Highway right of way which is South 85°52' West 195.5 feet from the Northwest corner of the property owned in the year 1923 by School District 9; thence North 38°03' West 116 feet along the old Gunther-Gattani Road; thence North 8°01' West 150 feet; thence South 81°59' West 200 feet; thence South 16°21' East along a creek at a distance of 6 feet from the center of said creek a distance of 100 feet; thence South 32°01' East continuing along the aforesaid creek 6 feet from its center for a distance of 166 feet to the North boundary of the North Bank Highway right of way; thence North 83°29' East along said North right of way 170 feet to the point of beginning. EXCEPT that portion conveyed to the State of Washington by deed recorded November 20, 1925 in Volume "U", Page 464, records of Skamania County, Washington.

And more commonly known as 27.72L State Road 14, Washougal, Washington.

Gary N. Martin, Skamania County Assessor

Date 1/15/96 Parcel # 1-5-11-1-100

[Signature]