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BOOK 224 PAGE 671

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AFTER RECORDING RETURN TO:

JACKSON, JACKSON & KURTZ, INC. PS
P.O. BOX 96
BATTLE GROUND, WA 98604

REAL ESTATE EXCISE TAX

MAY 28 2002

PAID BY WALTER J. SOSKY #23273011
5-28-02
SKAMANIA COUNTY TREASURER

MAY 28 1 59 PM '02

J. Michael Garvison
J. MICHAEL GARVISON

502 2470/

AGREEMENT FOR THE SALE AND PURCHASE OF A CABIN AND
LEASEHOLD INTEREST IN THE NORTHWOODS
AND SECURITY AGREEMENT

Reference: 020330

THIS AGREEMENT, made and entered into this 24th day of May, 2002, by and between WALTER J. SOSKY and ANNE BLAIR SOSKY, husband and wife, hereinafter designated as "Sellers," and DOUGLAS E. CATER and SANDRA J. CATER, husband and wife, hereinafter designated as "Purchasers,"

WITNESSETH:

The Sellers agree to sell to the Purchasers and the Purchasers agree to purchase of the Sellers, the real property leasehold and the personal property hereinafter described.

1. **DESCRIPTION OF LEASEHOLD:** The leasehold herein conveyed is the Lessee's interest in that certain lease between Water Front Recreation, Inc. as Lessor to Richard and Lois Wilding, as Lessee, dated July 18, 1993, the Lessees' interest of which was subsequently assigned to Walter J. Sosky and Anne Blair Sosky, Sellers herein, by instrument dated August 9, 1995 and recorded July 7, 1997 in Book 166, Page 895, records of Skamania County, Washington, covering that certain real property situate in the County of Skamania, State of Washington, described as follows:

ABBREVIATED LEGAL DESCRIPTION: LOT 140 PLAT AND SURVEY
ENTITLED RECORD OF SURVEY FOR WATERFRONT RECREATION, INC.

Cabin Site No. 140 of the Northwoods being part of Government Lots 4 and 8, in Section 26, Township 7 North, Range 6 East of the Willamette Meridian, Skamania County, Washington, particularly described as follows:

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Witnessed by
Signed by
Signed by
Signed by
Signed by

Lot 140, as shown on the Plat and Survey entitled Record of Survey for Water Front Recreation, Inc., dated May 16, 1974, on file and recorded under Auditor's File No. 77523, at Page 449, of Book J of Miscellaneous Records of Skamania County, Washington, together with an appurtenant easement as established of writing on said Plat, for the joint use of the areas shown as roadways on the Plat.

SUBJECT TO reservations by the United State of America in approved selection list number 259 dated March 4, 1953, and recorded September 4, 1953, at Page 23, of Book 52 of Deed, under Auditor's File No. 62114, records of Skamania County as follows:

"... the provisions, reservations, conditions and limitations of Section 24, Federal Power Act of June 10, 1920, as amended ... and the prior right of the United States, its licensees and permittees to use for power purposes that part within Power Project No. 2071, 2111, and 264."

SUBJECT TO Restrictions, Conditions and Assessments, including the terms and provisions thereof, recorded April 20, 1982 in Book K, Page 427.

SUBJECT TO all other Restrictions, Conditions, Easements, Surveys, Agreements, and Assessments or record, if any.

It is understood that Sellers and Purchasers and Waterfront Recreation, Inc. have contemporaneously herewith executed a separate instrument entitled "Assignment, Assumption, and Consent" for the transfer of the above-described leasehold interest to Purchasers. It is further understood that Purchasers hereby re-assign to Sellers all of Purchasers' right, title, and interest in the above-described premises and leasehold to secure payment of the purchase price as set forth herein. Sellers will release their security interest in said premises and leasehold when the purchase price has been paid in full as required herein.

1.1 PERSONAL PROPERTY: The Personal Property included in this sale, is as follows:

That certain existing Cabin situate upon the above-described real property.

Sellers have contemporaneously herewith executed and delivered to Purchasers a Bill of Sale to the Cabin, subject to Sellers' security interest therein as set forth in this agreement. Purchasers hereby grant to Sellers a security interest in said cabin to secure payment of the purchase price as set forth herein. Sellers will release their security interest in said cabin when the purchase price has been paid in full as required herein.

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2. PRICE AND PAYMENT: The purchase price of the said-described property is the sum of FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00), of which the sum of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) has been paid, receipt of which is hereby acknowledged, leaving a balance of FORTY THOUSAND AND NO/100 DOLLARS (\$40,000.00), which sum shall be paid as follows:

- (a) The balance shall be paid in minimum monthly installment payments of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00) each, with the first installment commencing on the 3rd day of June, 2002, and continuing on the 3rd day of each and every consecutive month thereafter until the full amount of the said purchase price has been paid.
- (b) In addition to the monthly installment payments, a balloon payment in the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) shall be paid on the remaining balance of the purchase price on or before October 1, 2002.

The unpaid principal balance shall not bear interest, however, Purchasers agree to pay a late charge in an amount equal to five percent (5%) of the payment due for each payment that is not paid by the 10th day of the month in which the payment is due.

It is expressly provided that Purchasers have the privilege of paying larger installments upon the purchase price upon any installment date, or of paying the full amount of the unpaid balance of the purchase price at any time, without penalty. In any event, full payment shall be made on or before June 1, 2007.

3. CONTRACT COLLECTION: It is understood that Sellers may designate a contract collection agent or escrow of Sellers' choice and on Sellers' behalf, to collect the payments herein required of Purchasers, and Sellers may re-designate an alternative agent or escrow at any time. Sellers shall each pay all costs associated with any such collection, including initial set-up and annual fees. Sellers and Purchasers agree to sign such documents with any collection agent or escrow selected by Sellers, as necessary to establish and maintain such collection.

4. PAYMENT OF LEASE PAYMENTS, PAYMENT OF HOMEOWNERS ASSOCIATION DUES, AND COMPLIANCE WITH RESTRICTIONS, CONDITIONS AND ASSESSMENTS: Purchasers shall pay and hold Sellers harmless from all future lease payments due Water Front Recreation, Inc., all future Northwood Homeowners Association Annual Fees and Dues, and any other charges levied by Water Front Recreation, Inc. and/or Northwood Homeowners Association associated with the cabin site being sold and purchased herein. Purchasers shall provide Sellers written proof of payment of such lease payments, dues and charges on April 1 of each year until the purchase price has been paid in full.

Purchasers agree to comply with all rules, regulations and requirements of Water Front Recreation, Inc. and Northwood Homeowners Association such that Purchaser's remains in good standing and their leasehold and membership is not put in peril. Without limiting the generality of the foregoing, Purchasers agree to comply with Water Front Recreation, Inc.'s insurance requirements, and prohibition on electric generators, garbage disposals and clothes washers. Purchasers agree to comply with all published rules and regulations now in existence or hereafter lawfully adopted by Water Front Recreation, Inc. and/or Northwood Homeowners Association. Purchasers acknowledge having received and read a copy of the following documents from Water Front Recreation, Inc.: (a) Supplemental Agreement, (b) "Some Things You Should Know ...", and (c) "Understanding of Insurance Requirements".

Sellers may communicate with Water Front Recreation, Inc. and/or Northwood Homeowners Association to monitor Purchasers' payment of dues and compliance with rules, regulations and requirements.

5. TAXES AND UTILITIES: It is understood that Purchasers assume and agree to pay before delinquency, all utilities now or hereafter serving the property, and all personal property taxes and assessments that may as between Sellers and Purchasers hereinafter become a lien upon the cabin; that as to 2002 personal property taxes under Skamania County Parcel No. 96-000140, the same have been adjusted between the parties as follows: Pro-rated to date of closing.

6. FIRE INSURANCE: Purchasers agree 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 full replacement value. All policies shall have loss payable first to Water Front Recreation, Inc., then to Sellers as their interest may appear, and then to Purchasers. Subject to the rights of Water Front Recreation, Inc., Purchasers may, within thirty 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 Purchasers deposit in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored, unless otherwise required by Water Front Recreation, Inc. Otherwise, the amount collected under any insurance policy shall be applied upon any amounts due hereunder, in such order as the Sellers shall determine. In the event of forfeiture, all rights of Purchasers in insurance policies then in force shall pass to Sellers.

7. NONPAYMENT OF TAXES, INSURANCE AND UTILITIES

CONSTITUTING LIENS: If Purchasers fail to pay taxes or assessments, insurance premiums or utility charges constituting liens prior to Sellers' interest under this contract, Sellers may pay such items and Purchasers shall forthwith pay Sellers the amount thereof, plus a late charge of five (5) per cent of the amount thereof, plus any costs and attorney's fees incurred in connection with such payment. Failure to pay said taxes or assessments, insurance premiums, or utility charges shall constitute a default under this contract, giving Sellers the rights and remedies provided for default.

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8. **RISK OF LOSS:** Purchasers shall bear the risk of loss or destruction or condemnation of the property. Any such loss shall not relieve Purchasers from any of Purchasers' obligations pursuant to this contract.

9. **CONDEMNATION:** Sellers and Purchasers may each appear as owners of an interest in the property in any action concerning condemnation of any part of the property. Subject to the rights of Water Front Recreation, Purchasers may within thirty 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 Purchasers deposit in escrow any deficiency with instructions to apply the funds on the restoration contract, the property shall be restored unless otherwise required by Water Front Recreation, Inc. Otherwise, proceeds of the award shall be applied in payment of the balance due on the purchase price, as Sellers may direct.

10. **POSSESSION:** The Purchasers shall have the right to the possession of said property on the date this contract is recorded with the Skamania County Auditor; provided, however, that said Purchasers shall, upon default hereunder and upon demand of the Sellers, surrender to the Sellers peaceable possession of said property.

11. **WASTE AND MAINTENANCE:** It is agreed that Purchasers shall not commit or suffer to be committed, any waste upon the property herein sold, and Purchasers agree to maintain said property in as good condition as the same is now, less reasonable wear and tear during the term of this contract. Purchasers hereby agree to use said premises in such manner as will allow no accumulation of garbage, refuse, old car bodies, tin cans and the like, that may create an unsightly condition on the property. The existing cabin on said premises shall not be removed therefrom, torn down or destroyed without first having obtained written consent of the Sellers, and no major alterations shall be made without first having obtained Sellers' written consent. Sellers shall have the right to inspect the cabin from time to time upon reasonable notice to Purchasers. Purchasers agree that they will not allow any liens to accumulate or to be filed against said property, and that any such liens shall be considered to be a breach of the terms of this contract; provided Purchasers shall have a reasonable time to pay or dispose of any lien so filed.

12. **TITLE INSURANCE FOR LEASEHOLD:** It is understood that Sellers have furnished Purchasers with a preliminary commitment from Skamania County Title Company dated March 25, 2002, and supplemented April 15, 2002, File No. 24701, for a title insurance policy showing good and merchantable title to said leasehold interest, and that a leasehold title insurance policy will be delivered to Purchasers after the recordation of this agreement. The general and special exceptions to the title are attached hereto as "Exhibit A"; it is understood however, that excise tax and property taxes (special exception numbers 1 and 2) are being paid at closing.

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13. **INSPECTION:** It is understood that the Purchasers have made full inspection of the cabin and leasehold premises and have accepted the same "AS IS", and that no promise, agreement or representation respecting the condition of any building or improvement thereon or relating to the alteration or repair thereof, or the placing of additional improvements thereon, shall be binding unless the promise, agreement or representation be in writing and made a part of this contract. Sellers have disclosed to Purchasers that Sellers have a permit to build the cabin from Skamania County Public Works, but the cabin is not finished.

14. **DUE ON SALE OR ASSIGNMENT:** If Purchasers convey, sell, lease, assign, or transfer said cabin or leasehold or possession of either; or contract to convey, sell, lease, assign, or transfer said cabin or leasehold or possession of either; or grant an option to buy said cabin or leasehold or possession of either; or permit a forfeiture or foreclosure or trustee or sheriff's sale of any of Purchasers' interest in the cabin or leasehold or this contract, Purchasers agree to immediately pay to Sellers the unpaid balance of the purchase price.

15. **SECURITY INTEREST:** It is understood that Sellers retain a security interest in said cabin and leasehold. Purchasers hereby grant to Sellers a security interest in the above-described cabin and leasehold, together with all increases and improvements therein and thereto, together with all proceeds of all such property. This Security Agreement is given to secure the payment and performance of all indebtedness and obligations of Purchasers to Sellers under this agreement. Purchasers shall, from time to time, upon demand of Sellers execute any additional security agreement(s), UCC statement(s) or other document(s) Sellers deem necessary to continue or perfect Sellers' secured position in the cabin and leasehold. Sellers are authorized to file such documents they deem necessary to continue or perfect Sellers' secured position in the cabin and leasehold until the purchase price has been paid in full. Purchasers agree to keep the cabin located on Cabin Site No. 140 of the Northwoods (particularly described above) and not to move it without Sellers' written consent, and if such written consent be obtained to keep Seller informed at all times as to its location, and not to further move the same without Seller's written consent. Sellers will release their security interest in the cabin and leasehold when the purchase price has been paid in full as required herein, by executing and delivering to Purchasers appropriate documents therefor.

16. **DEFAULT AND REMEDIES:** Time is of the essence with respect to each obligation of the parties under this agreement.

- a) Default. Each of the following events is an event of default:
 - i) Purchasers fail to make any payment within 20 days after the due date of the payment; and
 - ii) Purchasers fail to perform, or commence and diligently pursue performance if performance is not reasonably possible within 20 days, any

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non-payment obligation within 20 days after Sellers notify Purchasers of the failure to perform the obligation when due.

b) Remedies. On and after an event of default, Sellers may exercise the following remedies, which are cumulative and which may be exercised singularly or concurrently:

- i) the right to accelerate the due dates of the obligations so that the obligations are immediately due, payable, and performable in their entirety;
- ii) any remedy available to Sellers under the Uniform Commercial Code; and
- iii) any other remedy available to Sellers at law or in equity.

17. **PURCHASERS' REMEDY FOR SELLERS' DEFAULT:** If Sellers fail to observe or perform any term, covenant or condition of this contract, Purchasers may, after thirty days' written notice to Sellers, institute suit for damages or specific performance unless the breaches designated in said notice are cured.

18. **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.

19. **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 as follows:

To Sellers:

Walter J. and Anne B. Sosky
4527 NW Trout St.
Camas, WA 98607

To Purchasers:

Douglas E and Sandra J. Cater
15945 SE Whipperwill Court
Clackamas, OR 97015

Either party may change such address for notice by designating the new address to the other party hereto in the manner hereinabove set forth.

20. **ATTORNEY'S FEES-COSTS:** In the event of a lawsuit between the parties to this contract, the prevailing party shall be entitled to recover judgment against the other party for reasonable attorney's fees and costs (including title and lien searches), either at trial or on appeal. If either party exercises any nonjudicial right or remedy to enforce such party's rights hereunder, it shall be a condition for the cure of the default that the defaulting party pay the nondefaulting party's reasonable attorney's fees incurred and all reasonable costs, including costs of service of notices and title and lien searches. Failure to pay such costs and reasonable attorney's fees shall constitute an event of default under this contract.

21. **LEGAL REPRESENTATION:** The parties acknowledge and agree that this agreement has been prepared on behalf of Sellers by the attorney for Sellers. Purchasers acknowledge having been advised to seek the advice of independent counsel in regards to the closing of this transaction. Their execution of this agreement and the closing of this transaction shall be deemed Purchasers' acknowledgment that they have either sought independent advice of counsel or waive their right to do so.

22. **BINDING EFFECT:** This agreement shall be binding upon and shall inure to the benefit of the legal representatives, assigns, and successors of the parties, subject to any restrictions herein against assignment.

IN WITNESS WHEREOF, the parties hereto set their hands the day and year first above mentioned.


WALTER J. SOSKY, Seller


ANNE BLAIR SOSKY, Seller

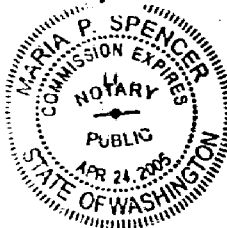

DOUGLAS E. CATER, Purchaser


SANDRA J. CATER, Purchaser

STATE OF WASHINGTON)
COUNTY OF Skamania : ss.
MB)

I certify that I know or have satisfactory evidence that **WALTER J. SOSKY** and **ANNE BLAIR SOSKY** 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 24th day of May, 2002.



Maria P. Spencer
NOTARY PUBLIC in and for the State
of Washington; my appt. expires:
4-24-05

STATE OF WASHINGTON)
COUNTY OF Skamania : ss.
MB)

I certify that I know or have satisfactory evidence that **DOUGLAS E. CATER** and **SANDRA J. CATER** 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 23 day of May, 2002.



Maria P. Spencer
NOTARY PUBLIC in and for the State
of Washington; my appt. expires:
4-24-05

Preliminary Commitment No. 24701

This commitment and the policy to be issued does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

GENERAL EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxes authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interest, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to lien, for services, labor, material or medical assistance theretofore or hereafter furnished, imposed by law and not shown by the public record.
7. Defects, liens, encumbrances, adverse claims or other matters, if any created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires of record for value the estate or interest or mortgage thereon covered by this commitment.
8. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitude.

SPECIAL EXCEPTIONS:

1. Taxes for Year 2002: \$169.79
Parcel No. 96-000140
2. The Lien of Real Estate excise sales tax upon any sale of said property, if unpaid. The state rate is 1.28%. **STOP STOP STOP.**

If this property is within the city limits of Stevenson or North Bonneville, please add .25%. Please call us if your not sure.
3. Lease, including the terms and provisions thereof between the State of Washington, as lessor and Water Front Recreation, Inc. A Washington Corporation, as Lessee, recorded October 22, 1986 in Book 103, Page 20. Amendment of Lease recorded June 2, 1995 in Book 150, Page 340.
4. Restrictions, Conditions and Assessments, including the terms and provisions thereof recorded April 20, 1982 in Book K, Page 427.
5. Lease between Water Front Recreation as Lessor and Richard and Lois Wilding as Lessees, including the terms and provisions thereof recorded April 10, 2002 in Book 222, Page 868.

Assignment Assumption and consent of Lease between Richard L. And Lois M. Wilding as Assignor and Walter Joseph and Anne Blair Sosky as Assignee recorded July 7, 1997 in Book 166, Page 895.

EXHIBIT A