

AFTER RECORDING MAIL TO:

Wyers Haskell Davies & Dunn, PC
P.O. Box 417
Hood River, OR 97031

REAL ESTATE EXCISE TAX

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SKAMANIA COUNTY TREASURER

ABBREV LEGAL DESCRIP:

Sec 11, T3N,R9E;
NW1/4, SE1/4 Sec 11, T3N, R9E, and
NE1/4, SW1/4 and North 1/2 of SE 1/4 SW 1/4, Sec 11, T3N, R9E

Assessor's Tax Parcel Number: 03-09-1130-0100/00
03-09-1130-0200/00 ^{AWP}

REAL ESTATE CONTRACT

1. PARTIES AND DATE. This Contract is entered into on May 13, 2010, between Virginia M. Leighton, the unmarried widow of Edwin E. Leighton, as "Seller" and Jackie A. Leighton and Ron Turner, wife and husband, 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, specifically set forth on the attached Exhibit A.

RESERVING UNTO Grantor a life estate in such property for so long as she shall live.

3. PERSONAL PROPERTY. Personal property, if any, included in the sale are: major appliances.

4. PRICE. Buyer agrees to pay \$250,000.00 in annual installments of \$20,066.79 on or before the 1st day of December each year, beginning December 1, 2010, including interest from the date hereof at the rate of 5% per annum; and a like amount or more on or before the same day of each

and every year thereafter until paid in full.

Payments shall be applied first to interest and then to principal. Payments shall be made at 4971 Cook-Underwood Road, Cook, Washington, 98605, or such other place as the Seller may hereafter indicate in writing.

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.

- A. Agricultural Lease Agreement entered into between seller as lessor and Larry L. Leighton as lessee, for the operation of a Christmas tree farm on a portion of the premises.
- B. The right of seller to retain payments from the rental house during her lifetime.

6. **FULFILLMENT DEED.** Upon payment of all amounts due Seller, Seller agrees to deliver 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. **POSSESSION.** Buyer is entitled to possession of the property from and after the date of this Contract, subject to any tenancies described in paragraph 5.

8. **TAXES, ASSESSMENTS, AND UTILITY LIENS.** After Seller's death, 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.

9. **INSURANCE.** After Seller's death, 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 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 Seller shall determine. In the event of forfeiture, all rights of Buyer in insurance policies then in force shall pass to Seller.

10. **NONPAYMENT OF TAXES, INSURANCE, AND UTILITIES CONSTITUTING LIENS.** After Seller's death, 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 attorney's fees incurred in connection with making such payment.

11. **CONDITION OF PROPERTY.** Buyer accepts the property in its present condition and acknowledges that Seller, his/her 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.

12. **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.

13. **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.

14. **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.

15. **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.

16. **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) **Acceleration of Balance Due.** Give Buyer written notice demanding payment of said delinquencies and payment of a late charge of 5% of the amount of such delinquent payments and payment of Seller's reasonable attorney's 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 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 attorney's fees and costs.

(d) **Judicial Foreclosure.** Sue to foreclose this Contract as a mortgage, in which event Buyer may be liable for a deficiency.

17. **RECEIVER.** If Seller has instituted any proceedings specified in Paragraph 6 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.

18. **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.

19. **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.

20. **ATTORNEY'S FEES AND COSTS.** In the event of any breach of this Contract, the party responsible for the breach agrees to pay reasonable attorney's 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 attorney's fees and costs incurred in such suit or proceedings.

21. **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 171 Little Rock Creek Road, Cook, Washington, 98605, and to the Seller at 4971 Cook-Underwood Road, Cook, Washington, 98605, 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.

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

22. ASSIGNMENT. This contract may not be assigned.

23. 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.


24. ENTIRE AGREEMENT. This Contract constitutes the entire agreement of the parties and supersedes 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


Virginia M. Leighton


Jackie A. Leighton


Ron Turner

STATE OF OREGON)
) ss.
County of Hood River)

I certify that I know or have satisfactory evidence that Virginia M. Leighton is the person who

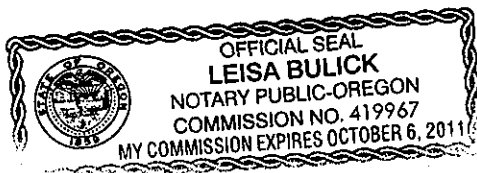
appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 5/13/10

Lisa Bullock

Notary Public

My commission expires: 10/6/2011



STATE OF OREGON)
County of Hood River) ss.

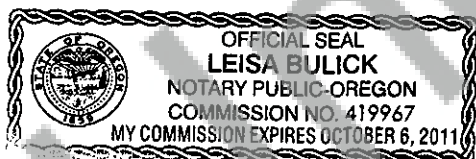
I certify that I know or have satisfactory evidence that Jackie A. Leighton and Ron Turner are the persons who appeared before me, and said person acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 5/13/10

Less Bullock

Notary Public

My commission expires: 10/6/2011



Assessor's Tax Parcel Number: 03-09-1130-0100/00**Parcel 1:**

Commencing at the center of Section Eleven (11), Township Three (3) North, Range Nine (9) East, W.M. thence West 75 feet, thence South 285 feet, thence East 75 feet, thence North 285 feet to the point of beginning.

Parcel 2:

A tract of land located in the Northwest Quarter of the Southeast Quarter (NW1/4 SE1/4) of Section 11, Township 3 North, Range 9 E.W.M., described as follows:

Beginning at a point on the quarter section line south 17.5 feet from the center of the said Section 11; thence south $87^{\circ} 41'$ east 491 feet to the center line of County Road No. 41 designated as the Cook-Underwood Road; thence South $63^{\circ} 02'$ West 550 feet, more or less, following the center line of said road to its intersection with the quarter section line aforesaid; thence North following said quarter section line 271 feet, more or less, to the point of beginning; said tract consisting of 1.527 acres, more or less.

Subject to the right of way for County Road No. 41 designated as the Cook-Underwood Road.

Assessor's Tax Parcel Number: 03-09-1130-0200/00

Skamania County Assessor
Date 5/18/10 Parcel# 3-9-11-3-100
3-9-11-3-200

Parcel 3:

The Northeast Quarter of the Southwest Quarter and the North Half of the Southeast Quarter of the Southwest Quarter of Section 11, Township 3 North, Range 9 East of the W.M., **EXCEPT THE FOLLOWING DESCRIBED TRACTS OF LAND:**

Commencing at the Northwest corner of the Northeast Quarter of the Southwest Quarter of said Section 11; thence East 213.3 feet; thence South $39^{\circ} 53'$ East 228 feet; thence South 51° East 400 feet to the East line of the West Half of the Northeast Quarter of the Southwest Quarter of said Section 11; thence South on said East line to the South line of said Northeast Quarter of the Southwest Quarter; thence West to the Southwest corner of said Northeast Quarter of said Southwest Quarter of said Section 11; thence North along the West line of said Southwest Quarter to the point of beginning;

The Northeast Quarter of the Southeast Quarter of the Southwest Quarter of Section 11, Township 3 North, Range 9 East of the W.M.;

The North Half of the NW 1/4 of the SE 1/4 of the SW 1/4 of said Sec. 11;
The South Half of the Northwest Quarter of the Southeast Quarter of the Southwest Quarter of said Section 11;

That portion of said premises conveyed to Skamania County for county road purposes by instrument filed in Book 74 of Deeds at Page 468, records of Skamania County, Washington.

Lots 2, 3 and 4 of Leighton Short Plat, recorded in Book 3, Page 279, records of Skamania County, Washington