

Return Address:

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Page 1 of 9  
Date: 08/23/2006 03:12P  
Filed by: SKAMANIA COUNTY TITLE  
Filed & Recorded in Official Records  
of SKAMANIA COUNTY  
J. MICHAEL GARVISON  
AUDITOR  
Fee: \$40.00

**REAL ESTATE EXCISE TAX**

*2605*  
AUG 23 2006

PAID  $1920.1375 \times 15 = 28801$

*Shawn R. MacPherson*  
SKAMANIA COUNTY TREASURER

**REAL ESTATE CONTRACT**

*Site 28999*

Seller: K.W. Peterson Co., Inc.  
Buyers: 4 D's Development, LLC  
Legal description (abbrev.) Lots 3 & 4, Redtail Short Plat, 3/344  
Tax Assessors ID No.: 03-08-26-0-0-1402-00  
03-08-26-0-0-1403-00  
Full Legal Description on Page 9

THIS REAL ESTATE CONTRACT made this day by and between K.W. PETERSON CO., INC., a Washington corporation, hereinafter called "Seller", and 4 D's DEVELOPMENT, LLC, a Washington limited liability company, hereinafter called "Buyer",

Gary H. Martin, Skamania County Assessor

Date 8/23/06 <sup>CS</sup> Parcel # 3-8-26-1402-1403 **WITNESSETH:**

**Section 1. DESCRIPTION OF PROPERTY CONTRACTED TO BE SOLD:** In consideration of the mutual covenants herein contained and the promises to be performed as set out hereinafter, the Seller agrees to sell to the Buyer and the Buyer agrees to purchase from the Seller the following described real estate in Skamania County, Washington, to-wit:

County of Skamania, State of Washington

Lots 3 and 4 of Redtail Short Plat, according to the short plat thereof, recorded in Book 3 of Short Plats, at Page 344, records of Skamania County, Washington.

**Section 2. PURCHASE PRICE AND PAYMENTS:**

2.1 The purchase price for said real estate is the sum of ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$150,000.00), which shall be paid as follows:

a) The sum of \$50,000.00 including earnest money shall be paid as down payment as of the date of this contract.

b) Commencing on the 1<sup>st</sup> day of September, 2006, and continuing on the 1<sup>st</sup> day of each month thereafter, Buyer shall pay the sum of \$3,133.65, until such time as the full balance of principal and interest has been paid.

2.2 This Contract shall bear interest at an rate of eight (8%) percent per annum on the declining balance from the date hereof until such balance has been paid in full. All payments shall first be applied against accrued interest, and the balance of each such monthly payment shall be applied in reduction of principal.

2.3 Buyer shall be entitled to prepay without penalty any or all sums due under the terms hereof. In the event Buyer shall elect to prepay less than the entire Contract balance together with accrued interest, such pre-payment shall not relieve Buyer from the obligation to make installment payments as provided herein.

2.4 In the event Buyer shall fail to make any payment on the purchase price within fifteen (15) days of its due date, then there shall be added to such payment a late charge equal to five percent (5%) of the delinquent payment.

Section 3. POSSESSION: Buyer shall be entitled to possession of the real property contracted to be sold from and after the date of this Contract and during his full and proper performance of this Contract.

Section 4. ADVANCES: It is understood and agreed that in the event the Buyer fails or neglect or refuse to pay any taxes, assessments, insurance premiums or any other lawful charge against said property, the Seller may pay the same and such sums as may be so paid shall be secured by this Contract and the said sums shall be repaid by the Buyers to the Seller upon demand with interest thereon from each respective date of advancement until repaid, at the rate of twelve percent (12%) per annum.

Section 5. PREPAID TAXES AND INSURANCE: Current real estate taxes shall be pro-rated as of the date of this contract.

Section 6. BUYERS' COVENANTS: Buyer covenants and agrees as follows:

- (a) To make the payments mentioned in the manner and on the dates named.
- (b) To keep any improvements on the premises constantly insured against loss by fire, with extended coverage, to the extent of the full insurable value thereof, with loss payable to Seller and Buyers as their respective interests may appear, and upon demand to deliver said policies to Seller. Said insurance shall carry a replacement value endorsement and shall be cancellable only upon thirty (30) days written notice to Seller.

- (c) To pay the consideration agreed upon and named herein regardless of any

loss, destruction or damage to any of said property, or the improvements thereon by fire, or from any other cause.

(d) To make or permit no unlawful or offensive or improper use of said property or any part thereof, nor to permit any waste, destruction or damage thereto.

(e) To keep the said property at all times in as good condition as the same now is, reasonable wear and tear excepted.

(f) To permit the Seller or his agents to enter into or upon the said property at any reasonable time to inspect the same.

(g) To pay regularly and seasonably and before the same shall become delinquent, all taxes, assessments, liens and encumbrances of whatsoever nature and kind which may hereafter be lawfully imposed on said property or which may have been assumed by the Buyer in this Contract.

(h) Not to permit or suffer any part of said property to become subject to any assessment, liens, charge or encumbrances whatsoever, having or taking precedence over the rights of the Seller in and to said property.

(i) Not to alter or remove the buildings or other improvements on the property without the written consent of the Seller, nor to permit any waste, destruction or damage thereto.

(j) The primary use of the property will be quarrying activities consistent with previous land use.

**Section 7. DEED AND TITLE INSURANCE:**

7.1 Seller agrees to execute and deliver to Buyers when final payment on this Contract has been made a Warranty Deed conveying said property to the Buyers free and clear from all encumbrances except those mentioned herein and except taxes, liens or other encumbrances placed or suffered by Buyer or his successors.

7.2 The Seller is at this time procuring and delivering to Buyer a Purchasers Policy of Title Insurance in standard form, insuring the Buyer 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 the Buyer is to assume, or as to which the conveyance hereunder is to be made subject.

(c) Covenants, conditions, and restrictions, including the terms and conditions thereof as contained in the recorded dedication.

(d) Easements of record and as delineated on the recorded plat.

**Section 8. CHANGE IN TITLE OR OCCUPANCY:** The rights to purchase granted by this Real Estate Contract are personal to the Buyer, and Seller's reliance upon Buyer's ability and integrity is a part of the consideration for this Contract. Neither this Contract, nor any interest herein, nor the possession of the property may be assigned or transferred by the Buyer, nor shall Buyer make or enter into any Contract for the sale of the property or any interest therein, without the prior written consent of the Seller. Any attempt at assignment, sale, or transfer of any interest, including possession, by Buyer in violation of the foregoing provisions may, at Seller's option, be deemed a default by Buyer and Seller may, at Seller's option, declare the remaining Contract balance, accrued interest and any other sums owing by Buyer to Seller hereunder, immediately due and payable. As an alternative to declaring the remaining Contract balance, accrued interest and other sums owing by the Buyer to Seller immediately due and payable, Seller may, at Seller's option, elect to raise the interest rate on this Contract to the maximum interest rate allowable by law as a condition to Seller's consent to any sale, assignment, or transfer of Buyer's interest or possession in the subject property or this Contract.

**Section 9. FORFEITURE:** Time is of the essence of this Contract and if the Buyer shall fail, refuse or neglect to pay either or any of the installments or interest or any other payment due, or shall fail to keep and/or perform any of the covenants and agreements herein contained on the part of the Buyer to be performed, then the Seller may cancel and render void all rights, titles and interest of the Buyer and their successors in this Contract and in the real estate which is the subject of this Contract by giving a Notice of Intent to Forfeit pursuant to RCW 61.30.040-070, and said cancellation and forfeiture shall become effective if the default therein specified has not been fully cured within ninety (90) days thereafter and the Seller records a Declaration of Forfeiture pursuant to RCW 61.30.040-070. Upon the forfeiture of this Contract, the Seller may retain all payments made hereunder by the Buyer and may take possession of the property ten (10) days following the date this Contract is forfeited and summarily eject the Buyer and any person or persons having possession of the said property by, through or under the Buyer who were properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture. In the event the Buyer or any person or persons claiming by, through or under the Buyer who were properly given the Notice of Intent to Forfeit and the Declaration of Forfeiture remain in possession of the property more than ten (10) days after such forfeiture, the Buyer, or such person or persons, shall be deemed tenants at will of the Seller and the Seller shall be entitled to institute an action for summary possession of the property, and may recover from the Buyer or such person or persons in any such proceedings the fair rental value of the property for the use thereof from and after the date of forfeiture, plus costs, including Seller's reasonable attorney's fees.

**Section 10. OTHER REMEDIES:**

10.1 As an alternative to declaring a forfeiture for any such default, Seller may, at his election, bring an action or actions, on any intermediate overdue installment, or on any payment or payments made by the Seller and repayable by the Buyer, it being stipulated and agreed that the covenant to pay intermediate installments or to repay items repayable by the Buyers, are independent of the covenant to make a deed; or

10.2 Seller may, in the event of such default, at his election, sue for specific performance of Buyers' obligations pursuant to this Contract; or

10.3 Seller, may in the event of such default, at his election, declare the entire unpaid balance of principal and interest immediately due and payable, and thereupon institute suit for payment of such balance and to have this Real Estate Contract foreclosed as a mortgage as is provided in Section 61.30.020, Revised Code of Washington.

10.4 It is agreed that any such action is an action arising on a Contract or the recovery of money only, as if the promise to pay had been expressed in a different instrument, and that no such action shall constitute an election not to proceed otherwise as to any subsequent default.

**Section 11. ASSUMPTION OF RISK:** The Buyer hereby assumes all hazards of damage to a 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. Buyer further agree that no such damage, destruction or taking shall constitute a failure of consideration.

**Section 12. CONDEMNATION:** 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 hereunder.

**Section 13. REPRESENTATIONS:**

13.1 Buyer has inspected the property sold herein and has found the same to be to his satisfaction and he agrees that no promises, representations, statements, or warranties, expressed or implied, shall be binding on the Seller unless expressly contained herein. Buyer expressly acknowledges that he has placed no reliance whatsoever upon any representations not set forth in this Contract, and is buying the property as is.

13.2 Buyer agrees that he has had an opportunity to review all federal, state and local regulations, including but not limited to zoning regulations and regulations and standards affecting various permit applications, and the effect such regulations and requirements may have upon the above-described property, including the effect of the same on any prospective and intended use or uses. Buyer further acknowledges that Seller has made no representations

concerning any such regulations and standards. Any site plan review required for Buyer's intended use will be processed by Buyer at Buyer's expense.

**Section 14. COURT COSTS AND ATTORNEY'S FEES:** If Buyer shall be in default under this Contract, the Seller shall have the right, at Buyer's expense, to retain an attorney or collection agency to make any demand, enforce any remedy, or otherwise protect or enforce his rights under this Contract. Buyer hereby promises to pay all expenses and costs so incurred by Seller, with or without arbitration or litigation, which expenses and costs shall include, but not be limited to notice expenses, title search expenses, and reasonable attorney's fees. The failure of Buyer to promptly pay the same shall in itself constitute a further and additional default.

In the event either party hereto institutes any action, including arbitration, to enforce the provisions of this Contract, the prevailing party in such action shall be entitled to reimbursement by the other party for its court costs and reasonable attorney's fees, including the cost of searching the title for the purpose of such action, and any costs and fees that are incurred on appeal.

**Section 15. WAIVER:** No assent, expressed or implied, by Seller, to any breach of Buyers' covenants or agreements shall be deemed or taken to be a waiver of any succeeding breach of the same or other covenants.

DATED this 23 day of AUGUST, 2006.

K.W. PETERSON CO., INC.

4 D's DEVELOPMENT, LLC

By: K.W. Peterson

By: Shawanda Dean

Title: owner

Title: owner

"Seller"

"Buyer"

By: James H. Dean

Title: OWNER



STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF ~~CLARK~~  
Skamania

On this 7 day of August, 2006, personally appeared Ken Peterson to me known to be the Owner of the K.W. Peterson Company, Inc., that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed, of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



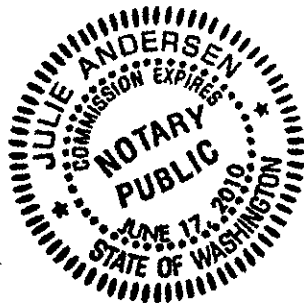
Julie Andersen  
Notary Public in and for the State of  
Washington, Residing Carson.  
My appointment expires: 6/17/2010

STATE OF WASHINGTON, }  
County of Skamania } ss.

ACKNOWLEDGMENT - Individual

On this day personally appeared before me James H. Dean #  
Laranda Dean to me known  
to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that They  
signed 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 23<sup>rd</sup> day of August, 2006



Julie Andersen  
Notary Public in and for the State of Washington,  
residing at Carson  
My appointment expires 6/17/2010

STATE OF WASHINGTON, }  
County of \_\_\_\_\_ } ss.

ACKNOWLEDGMENT - Corporate

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for the State of  
Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_  
\_\_\_\_\_ and \_\_\_\_\_ to me known to be the  
\_\_\_\_\_ President and \_\_\_\_\_ Secretary, respectively, of \_\_\_\_\_  
\_\_\_\_\_ the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary  
act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that \_\_\_\_\_  
authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
Notary Public in and for the State of Washington,  
residing at \_\_\_\_\_

My appointment expires \_\_\_\_\_

WA-46A (11/96)

This jurat is page \_\_\_\_\_ of \_\_\_\_\_ and is attached to \_\_\_\_\_ dated \_\_\_\_\_.



EXHIBIT 'A'

PARCEL I

A tract of land in the Southwest Quarter of Section 26, Township 3 North, Range 8 East of the Willamette Meridian in the County of Skamania, State of Washington, described as follows:

Lot 3 of the Redtail Short Plat, recorded in Book 3 of Short Plats, Page 344, Skamania County Records.

PARCEL II

A tract of land in the Southwest Quarter of Section 26, Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington, described as follows:

Lot 4 of the Redtail Short Plat, recorded in Book 3 of Short Plats, Page 344, Skamania County Records.