

When recorded return to:

AMERI TITLE

PO Box 1128

REAL ESTATE EXCISE TAX

WHITE SALMON WA 98672 26804

MAR 06 2007

PAID

7040.41375.00 + 800 = 8420.00

29426

Vickie Chelland, County

SKAMANIA COUNTY TREASURER

Real Estate Contract

THIS CONTRACT, consisting of eleven (11) pages, made and entered into this 28 day of February, 2007, between Ronald D. Austin, hereinafter called the "seller," and Fred Newman and Laura Newman, husband and wife, as to an undivided 45% interest and Shawn Vanpelt and Tina Vanpelt, husband and wife, as to the remaining undivided 55% interest, hereinafter called "purchaser,"

1. AGREEMENT OF SALE: The seller agrees to sell to the purchaser and the purchaser agrees to purchase from the seller the following described real estate, with the appurtenances, in Skamania County, Washington:

The north half of the southeast quarter of the southwest quarter of section 23 in township 4 north of range 7, East Willamette Meridian; INCLUDING the west 60 feet of the south half of the southeast quarter of the southwest quarter of said section lying north of county road known and designated as Little Soda Springs Road; EXCEPT that portion conveyed to Skamania County by instrument recorded in book 53, page 47.

Tax parcel no: 04 07 23 0 0 0700 00.

Skamania County Assessor

Date 3-6-07 Parcel# 04 07 23 00 0700 00
110

The terms and conditions of this contract are as follows:

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2. PURCHASE PRICE AND PAYMENT: The purchase price is Five Hundred Fifty Thousand Dollars (\$550,000.00), of which Three Hundred Thousand Dollars (\$300,000.00) is the down payment, payable at closing, and the balance of said purchase price shall be paid as follows:

A. Two Hundred and Fifty Thousand Dollars (\$250,000.00) shall bear interest at the rate of seven and one half (7 ½) percent per annum on the unpaid principal balance and shall be amortized as a thirty (30) year loan with a payment of \$1,748.04 or more per month. First payment shall be due 30 days from the date of this contract. Five years from the date of this contract, a balloon payment shall pay in full the remaining principal balance and any outstanding late fees and interest. Payments shall apply first to costs, expenses and late fees for which the Purchaser is liable hereunder, second to interest due and third being applied to principal. All payments to be made at Ameri Title, White Salmon, Washington, or at such other place as the seller may direct in writing.

B. A late fee of One Hundred Dollars (\$100) shall apply to any payment received ten days after the date due. Upon Seller's election to bring suit to enforce any covenant of this contract, including suit to collect any payment required hereunder, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, which sums shall be included in any judgment or decree entered in such suit.

C. Purchaser agrees that each individual purchaser is responsible for this contract, jointly and individually and each and all parties are responsible for compliance with each condition of this contract without regard to ownership percentages.

D. Until full payment of the principal balance, seller shall remain in first position in the chain of title and will not be subordinate to any other party, including any financial institution. Purchaser shall not assign or otherwise transfer their rights under

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this contract in any manner whatsoever without prior written consent of Seller. No lien of any contractor, subcontractor, independent contractor, or agent of the Purchaser shall encumber any interest of the Seller in the Property. Seller may provide consent for assignment or transfer of rights after Purchaser has provided the names and all contact information of the new purchaser and after providing Seller with verification of the new purchaser's financial ability to complete the purchase. All terms of this Contract shall remain the same. The rights and obligations of the Seller and the Purchaser shall inure to the benefit of and be binding upon their estates, heirs, executors, administrators, successors, successors in trust, or assigns.

3. TAXES AND ASSESSMENTS: Purchaser shall be responsible for all taxes due, present, past or future, which relate to any change in the tax status of the land, including **any and all back taxes and fees incurred as a result of the property being removed from timber status.** Non-payment of taxes due to any change in tax status of the land will constitute a default of the contract. Purchaser assumes and agrees to pay before delinquency all taxes and assessments that hereafter become a lien on the Property.

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4. TIMBER: Purchaser has the right to cut and sell any timber on the Property and to keep any and all profits from said timber cutting and sale.

5. OPTIONAL PAYMENT: Purchaser, at Purchaser's discretion, may provide unencumbered title to the seller for a legal lot or lots on this property totaling no less than two acres. Said lot or lots must be a platted, accessible, buildable and in compliance with Skamania County regulations and codes. In exchange for title to said lot or lots the seller will reduce the principle balance by Fifty Thousand Dollars (\$50,000.00) and adjust

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payments of the remaining balance amortized over 30 years, the same balloon payment and late fees are applicable as above stated in paragraphs 2A, 2B and 2C.

6. TITLE INSURANCE: Seller has delivered a purchaser's policy of title insurance in standard form, issued by Skamania County Title Company, Stevenson, Washington, 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 printed general exceptions appearing in said policy form.

7. POSSESSION: Purchaser shall be entitled to possession of said real estate on date of closing and to retain possession so long as purchaser is not in default hereunder. The purchaser shall faithfully observe, perform and comply with all laws, ordinances, rules and regulations of every governmental authority affecting the Property and the use thereof and activities thereon; all easements, reservations, restrictions, covenants, and conditions of record affecting or pertaining to the Property and the use thereof and activities thereon. The purchaser agrees to keep any improvements on said real estate in good repair and not to permit waste and not to use, or permit to use of, the real estate for any unlawful purpose or in a manner which causes a nuisance, or in violation of any federal, state, or local statute or ordinance governing the use or improvement of the property or any hazardous or toxic materials, products or wastes. The Purchaser shall not cause, authorize, or permit any mechanics' or material men's liens to be placed upon the Property or any part thereof. Purchaser shall indemnify and defend the Seller against all liens levied against the Property or any part thereof caused by or through the Purchaser. The purchaser covenants to pay all service, installation or construction charges for water, sewage, electricity, garbage or other utility services furnished to said real estate after the date the purchaser is entitled to possession.

8. DEFAULT: If the Purchaser fails to observe or perform any term, covenant, or condition of this Contract, Seller may:

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A. Sue for Installments. Sue for any delinquent periodic payment; or
B. Sue for Specific Performance. Sue for specific performance of any Purchaser's obligations pursuant to this Contract; or

C. Forfeit Purchaser's Interest. 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:

1. All right, title and interest in the property of the Purchaser and all persons claiming through the Purchaser shall be terminated.
2. The Purchaser's rights under the Contract shall be cancelled;
3. All sums previously paid under the Contract shall belong to and be retained by the Seller.
4. All improvements made to and un-harvested crops on the property shall belong to the Seller; and
5. Purchaser shall be required to surrender possession of the property, improvements, and un-harvested crops to the Seller 10 days after the forfeiture.

D. Acceleration of Balance Due. Give Purchaser written notice demanding payment of said delinquencies and payment of late charges 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 Purchaser or personally delivered to the Purchaser, 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.

E: Judicial Foreclosure: Sue to foreclose this Contract as a mortgage, in which event Purchaser may be liable for a deficiency.

F: Remedies under the Uniform Commercial Code: The Seller shall have

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and the Purchaser hereby grants to the Seller all of the rights and remedies contained in the Uniform Commercial Code in effect in the State of Washington as of the date of the Purchaser's default and to the extent such remedies may be applicable to the type of collateral affected thereby.

9. COSTS AND ATTORNEY'S FEES: 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 an suit instituted arising out of the 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.

10. NOTICES: Notices shall be either personally served or shall be sent first class certified mail, return receipt requested to:

Purchasers: Fred & Laura Newman, 192 Szydlo Rd, Carson WA 98610
Shawn & Tina Vanpelt, P.O. Box 165, Carson WA 98610

Seller: Ron Austin, 800 SE 102nd Ave, Vancouver WA 98664

Either party may change such address for notice in writing by mailing or serving such writing to or upon the other party or to the collection agent Ameri Title, PO Box 735, White Salmon, Washington or upon any future designated collecting agent.

11. TIME OF PERFORMANCE: Time is of the essence of this contract, and it is agreed that in case the purchaser shall fail to comply with or perform any condition or agreement hereof or to make any payment required hereunder promptly at the time and in the manner herein required, the seller may elect to declare all the purchaser's rights hereunder terminated, and upon his doing so, all payments made by the purchaser hereunder and all improvement placed upon the real estate shall be forfeited to the seller as liquidated damages, and the seller shall have right to re-enter and take possession of

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the real estate; and no waiver by the seller of any default on the part of the purchaser shall be construed as a waiver of any subsequent default. Service upon purchaser of all demands, notices or other papers with respect to forfeiture and termination of purchaser's rights may be made by United States Mail, postage pre-paid, return receipt requested, directed to the purchaser at his address last known to the seller.

12. SELLERS WARRANTIES:

A. Seller makes no warranties of habitability, or warranties as to the fitness of the Property for any particular use whatsoever.

B. Seller makes no representation or warranties as to the Property being in compliance with specific or general building, use or zoning restrictions or regulations.

C. Seller has NOT had the property surveyed as to accuracies or discrepancies in boundaries or set back requirements or regulations and makes no warranties as to their accuracy.

D. Seller makes no representations or warranties as to status or compliance of water, sewage disposal, soil or subterranean stability or structure, building stability or structure, utilities or the presence or absence of hazardous or toxic substances or waste, including but not limited to asbestos and urea-formaldehyde.

E. Seller makes no representations or warranties as to the status or availability of an easement for ingress, egress and utilities from the county road to the property, Purchaser has checked with appropriate parties and governmental agencies as to the availability of said easement to his sole satisfaction.

13. PURCHASER'S WARRANTIES:

A. Purchaser has researched and inspected the property as deemed necessary in Purchaser's judgment as to the status of the Property boundaries, set backs,

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soil or subterranean stability or structure, building stability or structure, water, sewage disposal, utilities, pest infestation, presence of asbestos or urea-formaldehyde, or presence of hazardous or toxic waste, and all matters relative to Purchaser's intended present and future uses of the Property.

B. Purchaser accepts the property "as is" in its current condition and acknowledge that they are not relying upon any representations or warranties concerning the Property made by Seller or their agents, employees or representatives.

14. FULLFILLMENT DEED: The Seller agrees, upon receiving full payment of the purchase price and interest in the manner above specified, to execute and deliver to purchaser a Statutory Warranty Deed to said real estate, excepting any part thereof hereafter taken for public use. At request of purchasers, Warranty Deed will read, "Fred Newman and Laura Newman, husband and wife, as to an individed 45% interest and Shawn Vanpelt and Tina Vanpelt, husband and wife, as to the remaining undivided 55% interest."

15. APPLICABLE LAW: This contract shall be governed and interpreted in accordance with the laws of the State of Washington and the venue of any action brought to interpret or enforce any provision of this contract shall be in Skamania County Washington. All sums herein referred to shall be calculated by and be in the lawful currency of the United States. Upon Seller's election to bring suit to enforce any covenant of this contract, including suit to collect any payment required hereunder, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection

with such suit, which sums shall be included in any judgment or decree entered in such suit. If the Seller shall bring suit to procure an adjudication of the termination of the purchaser's rights hereunder, and judgment is so entered, the purchaser agrees to pay a reasonable sum as attorney's fees and all costs and expenses in connection with such suit, and also the reasonable cost of searching records to determine the condition of title at the

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date such suit is commenced, which sums shall be included in any judgment or decree entered in such suit.

16. DEFINITIONS: As used herein the term "Property" means all of the estate, right, title and interest currently held by the Seller in and to the Real Property and Personal Property described herein and the rights, easements, privileges, and appurtenances thereunto belonging or appertaining or held and enjoyed therewith, together with all timber and crops thereon and any repairs, improvements, replacements, and additions thereto whether made, erected, or constructed by the Seller or the Purchaser prior to or subsequent to the date hereof.

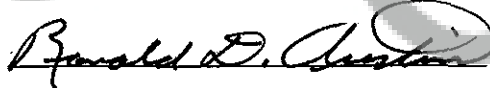
17. PARAGRAPH HEADINGS: The word or words appearing at the commencement of paragraphs and subparagraphs of this Contract are included only as a guide to the contents thereof and are not to be considered as controlling, enlarging, or restricting the language or meaning of those paragraphs or subparagraphs.

18. GENDER AND NUMBER: The use of any gender or neutral term shall include all genders, and the use of any number shall be construed as singular or plural, as the case may require. The terms "Purchaser" and "Seller" refer to either the singular or the plural, as the case may be.

19. 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 Purchaser.


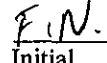


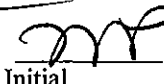
IN WITNESS WHEREOF the parties have signed and sealed this Contract the day and year first above written.

SELLER:



Ronald D. Austin

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PURCHASERS: Fred Newman
Fred Newman

Laura Newman
Laura Newman

PURCHASERS: Shawn Vanpelt
Shawn Vanpelt

Tina Vanpelt
Tina Vanpelt

STATE OF WASHINGTON
COUNTY OF KICKAPAT

I certify that I know or have satisfactory evidence that RONALD D. AUSTIN is the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 2-28-07

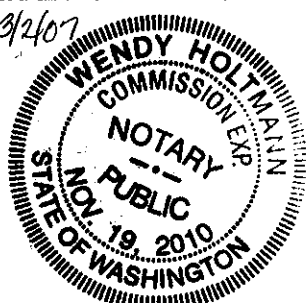


Wendy Holtmann
Printed Name: **WENDY HOLTMMANN**
Notary Public in and for the state of Washington
Residing at: Underwood WA
My appointment expires: 11-19-2010

STATE OF WASHINGTON
COUNTY OF KICKAPAT

I certify that I know or have satisfactory evidence that FRED NEWMAN AND LAURA NEWMAN are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 3/2/07



Wendy Holtmann
Printed Name: **WENDY HOLTMMANN**
Notary Public in and for the state of Washington
Residing at: Underwood WA
My appointment expires: 11-19-2010

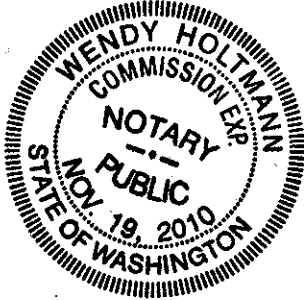
REAL ESTATE CONTRACT - 10.

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STATE OF WASHINGTON
COUNTY OF KLIKITAT

I certify that I know or have satisfactory evidence that SHAWN VANPELT AND TINA VANPELT are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: 3-1-07



A handwritten signature of Wendy Holtmann in black ink.

Printed Name: WENDY HOLTMA
Notary Public in and for the state of Washington
Residing at: Underwood WA
My appointment expires: 11-19-2010

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