

Return Address:

Roger D. Knapp
430 NE Everett Street
Camas, WA 986079

REAL ESTATE EXCISE TAX

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PAID 31677.⁰⁰
[Signature]
SKAMANIA COUNTY TREASURER

REAL ESTATE CONTRACT

Seller: John M. Ratcliff and Karen L. Ratcliff
Buyers: Robert A. Holmes
Legal description (abbrev.) Lots 5, 6 & 7 BLK 2 Maple Hill Tracks #2 BK A/PG 125
Tax Assessors ID No.: 03072520140000

Skamania County Assessor
Date 11-23-09 Parcel 3-7-25-2-1400

THIS REAL ESTATE CONTRACT made this day by and between JOHN M. RATCLIFF and KAREN L. RATCLIFF, husband and wife, hereinafter called "Sellers", and ROBERT A. HOLMES, a single man, hereinafter called "Buyer",

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 Sellers agree to sell to the Buyer and the Buyer agrees to purchase from the Sellers the following described real estate in Skamania County, Washington, to-wit:

County of Skamania, State of Washington

Lots 5, 6 and 7 of Block 2 of the MAPLE HILL TRACTS NO. 2, according to the recorded Plat thereof, recorded in Book "A" of Plats, Page 125, in the County of Skamania, State of Washington.

THIS CONVEYANCE IS SUBJECT TO COVENANTS CONDITIONS, RESTRICTIONS AND EASEMENTS, IF ANY, AFFECTING TITLE WHICH MAY APPEAR IN THE PUBLIC RECORD, INCLUDING THOSE SHOWN ON ANY RECORDED PLAT OR SURVEY.

Section 2. PURCHASE PRICE AND PAYMENTS:

2.1 The purchase price for said real estate is the sum of TWO HUNDRED FORTY THOUSAND AND NO/100 DOLLARS (\$240,000.00), which shall be paid as follows:

a) The sum of \$2,500.00 including earnest money shall be paid as down payment as of the date of this contract.

b) The balance of \$237,500.00 shall be paid in monthly installments of \$1,187.50 on or before the 15th day of each month until August 28, 2010, at which time the then remaining balance of principal and interest shall be due and payable in full.

2.2 This Contract shall bear interest at an rate of six (6%) 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 Sellers 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 Sellers 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. Seller shall be entitled to the premium refund on the existing fire insurance policy.

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 the buildings 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 Sellers or their 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.

Section 7. DEED AND TITLE INSURANCE:

7.1 Sellers 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.

Section 8. CHANGE IN TITLE OR OCCUPANCY: The rights to purchase granted by this Real Estate Contract are personal to the Buyer, and Sellers' 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 Sellers' option, be deemed a default by Buyer and Sellers may, at Sellers' 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 Sellers immediately due and payable, Sellers may, at Sellers' option, elect to raise the interest rate on this Contract to the maximum interest rate allowable by law as a condition to Sellers' 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 Sellers 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 Sellers record 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 Sellers and the Sellers 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 Sellers' reasonable attorney's fees.

Section 10. OTHER REMEDIES:

10.1 As an alternative to declaring a forfeiture for any such default, Sellers may, at their 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 Sellers may, in the event of such default, at their election, sue for specific performance of Buyers' obligations pursuant to this Contract; or

10.3 Sellers, 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 Sellers 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 Sellers 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 Sellers have 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 Sellers 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 Sellers, with or without arbitration or litigation, which expenses and costs shall include, but no 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 entitle 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 Sellers, 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.

Real Estate Contract

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DATED this 16th day of October, 2009.

John M. Ratcliff
John M. Ratcliff
Karen L. Ratcliff
Karen L. Ratcliff

"Sellers"

Robert A. Holmes
Robert A. Holmes

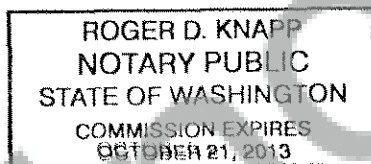
"Buyer"

STATE OF WASHINGTON)

COUNTY OF CLARK)

On this 16th day of October, 2009, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared JOHN RATCLIFF and KAREN L. RATCLIFF, husband and wife, to me known to be the individuals who executed the within and foregoing instrument, and acknowledged said instrument to be their free and voluntary act and deed for the purposes therein mentioned.

16th IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this day of October, 2009.



Robert A. Holmes
Notary Public in and for the State of
Washington, residing at Camas
My commission expires: 10-21-13