

Caleb Scott  
PO Box 702  
Carson, WA 98610

SKAMANIA COUNTY  
REAL ESTATE EXCISE TAX  
32891  
DEC 13 2016

PAID \$1,352.00  
*Wendy F. Smith*  
SKAMANIA COUNTY TREASURER

ANY OPTIONAL PROVISION NOT INITIALED BY ALL PERSONS SIGNING THIS CONTRACT-WHETHER INDIVIDUALLY OR AS AN OFFICER OR AGENT-IS NOT A PART OF THIS CONTRACT.

### REAL ESTATE CONTRACT

1. PARTIES AND DATE. This Contract is entered into on November 10<sup>th</sup>, 2016, between Ralph O. Hatfield and Edith E. Hatfield, husband and wife, as their community property, Seller, and Caleb D. Scott, a single man, as his separate property.

2. SALE AND LEGAL DESCRIPTION. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller all of the Seller's interest in that real property in Skamania County, State of Washington, commonly known as:

991 Kanaka Creek Road  
Stevenson, Washington 98648

Legal description: Ptn Sec. 25, T3N, R7E W.M.

Attached as Exhibit A Page 8

Assessor's Property Tax Parcel Account Number: 03072540130000 *(initials)*

Together with all tenements, hereditaments, and appurtenances now or hereafter belonging or in any way appertaining, and the rents, issues and profits thereof.

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Seller's interest in the above property constitutes one hundred (100) per cent of the interest in the property.

Buyer is entitled to possession of the property no later than December 1, 2016.

3. PERSONAL PROPERTY.

None of commercial value.

4.	(a)	PRICE. Buyer agrees to pay:	\$ 90,000.00	Total Price
		Less	\$ 10,000.00	Down Payment
			\$ 0.00	Earnest Money
		Results in	\$ 80,000.00	Amount Financed by Seller

(b) PAYMENT OF AMOUNT FINANCED BY SELLER:

This Contract will be for seven (7) years with an interest rate of zero (0%) per cent. Seller agrees to pay excise tax.

Buyer agrees to pay the remaining balance of principal, \$80,000.00 without interest at \$952.38 per month due on the fifth (5<sup>th</sup>) day of each month not later than November 5, 2023. Payment shall be made to Seller at 1042 Loop Road, Stevenson, Washington 98648, 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 easements, restrictions and reservations of record, see Title Report. Buyer agrees not to encumber this property with any liens or loans against the property. The Seller may accelerate all amounts due on this Contract after thirty (30) days written notice to Buyer if encumbrances are recorded against this property.

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. LATE CHARGES. If any payment of the purchase price is not made within ten (10) days after the date it is due, Buyer agrees to pay a late charge equal to 5% of the amount of such payment. Such late payment charge shall be in addition to all other remedies available to Seller and the first amounts received from Buyer after such late charges are due shall be applied to the late charges.

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8. NO ADVERSE EFFECT ON PRIOR ENCUMBRANCES. Seller warrants that entry into this Contract will not cause in any prior encumbrance (a) a breach, (b) accelerated payment, or (c) an increased interest rate; unless (a), (b) or (c) has been consented to by Buyer in writing.
9. POSSESSION. Buyer is entitled to possession of the property no later than December 1, 2016.
10. TAXES, ASSESSMENTS AND UTILITY LIENS. 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 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 incurred after the dates of this Contract 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.
11. INSURANCE. 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 holder 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 the 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 the Seller shall determine. In the event of forfeiture, all rights of Buyer in insurance policies then in force shall pass to Seller.
12. NONPAYMENT OF TAXES, INSURANCE AND UTILITIES CONSTITUTING LIENS. 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.

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13. **CONDITION OF PROPERTY.** Buyer accepts the property in its present conditions and acknowledges that Seller, their 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.

14. **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.

15. **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.

16. **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.

17. **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 on the purchase price, as Seller may direct.

18. **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 performances of any of Buyer's obligations pursuant to this Contract; or
- (c) **Forfeit Buyer'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;
  - (i) all right, title and interest in the property of the Buyer and all persons claiming through the Buyer shall be terminated; (ii) the Buyer's rights under the Contract shall be cancelled;
  - (iii) all sums previously paid under the Contract shall belong to and be retained by the Seller

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or other person to whom paid and entitled thereto; (iv) all improvements made to and unharvested crops on the property shall belong to Seller; and (v) Buyer shall be required to surrender possession of the property, improvements, and unharvested crops to the Seller 10 days after the forfeiture; or

(d) 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 thirty (30) days after the date said Notice is either deposited in 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; or

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

19. RECEIVER. If Seller has instituted any proceeding specified in Paragraph 18 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.

20. 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.

21. 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.

22. 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.

23. 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 1411 Metzger Road, Carson, Washington 98610, and to Seller at 1042 Loop Road, Stevenson, Washington 98648, or such other

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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.

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

25. SUCCESSORS AND ASSIGNS. Buyer may not assign this Contract without Seller's written approval. The provisions of this Contract shall be binding on the heirs, successors and assigns of the Seller and Buyer. Seller agrees that Chad D. Scott can assume and complete payment of this Contract upon the demise of Caleb D. Scott.

26. ADDENDA. Any addenda attached hereto are a part of this Contract.

27. 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.

28. MISCELLANEOUS. Property taxes have been paid by the Seller for the year 2016. Buyer will reimburse Seller for pro-rated property taxes from December 1, 2016, to December 31, 2016, in the amount of \$68.10. Buyer agrees to pay excise tax on property sale.

30. Both parties agree that they have had time to review this Contract and an opportunity to have this Contract reviewed by an attorney of their choice.

ROH  
Seller's Initials

E.E.H  
Seller's Initials

S  
Buyer's Initials

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

SELLER

BUYER

Ralph O. Hatfield  
Ralph O. Hatfield

Caleb D. Scott  
Caleb D. Scott

Edith E. Hatfield  
Edith E. Hatfield

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EXHIBIT "A"

That portion of the Southwest Quarter of the Southeast Quarter of Section 25, Township 3 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington, lying Westerly of County Road No. 2062, designated as Kanaka Creek Road described as follows:

Beginning at the intersection of the Westerly line of Kanaka Creek Road and the South line of said Section 25; thence West along the South line of the said Section 25 a distance of 772 feet; thence North 15° 43' East 982.7 feet; thence South 50° 44' East 275 feet; thence South 26° 03' East 383.6 feet; thence South 16° 47' East 447.8 feet to the point of beginning;

EXCEPT a strip of land 300 feet in width acquired by the United States of America for the Bonneville Power Administration's Bonneville Coulee No. 1 and 2 transmission lines;

AND EXCEPT that portion thereof lying Northerly of a transmission line easement 87 ½ feet in width granted to the United States of America by Deed dated May 7, 1963, and recorded May 17, 1963, at Page 292 of Book 51 of Skamania County, Washington.

TOGETHER WITH: 1977 Broadmore 14x66 @88966 Mobile Home

Skamania County Assessor  
Date 12-13-16 Parcel# 3-7-25-4-1300  
*[Signature]*