

LEASE WITH OPTION TO PURCHASE

By this agreement made and entered into on July 15, 1982, between GERALD G. NEYLAND and MARTHA A. NEYLAND, husband and wife, herein referred to as lessor, and THOMAS D. OLETZKE and KATHLEEN A. OLETZKE, husband and wife, herein referred to as lessee, lessor leases to lessee the premises situated at Stevenson, County of Skamania, State of Washington, and more particularly described as follows:

A tract of land located in the West Half of the East Half of the Southeast Quarter of Section 35, Township 3 North, Range 7 East of the Willamette Meridian described as follows:

Lot 4 of the Jerry G. and Martha A. Neyland Short Plat recorded February 11, 1981 in Book 2 of Short Plats, at Page 201 under Auditor's File No. 92005, Records of Skamania County, Washington:

EXCEPT any portion thereof lying within the Easterly 660 feet of the Southeast Quarter of said section,

together with all appurtenances, for a term of two (2) years, to commence on July 15, 1982, and to end on July 15, 1984, at 12:00 o'clock p.m.

SECTION ONE

RENT

Lessee agrees to pay, without demand, to lessor as rent for the demised premises the sum of Two Hundred Fifty Dollars (\$250.00) per month in advance on the 15th day of each calendar month beginning July 15, 1982, at 36003 S.E. 94th, City of Snoqualmie, State of Washington, or at such other place as lessor may designate.

SECTION TWO

QUIET ENJOYMENT

Lessor covenants that on paying the rent and performing the covenants herein contained, lessee shall peacefully and quietly have, hold, and enjoy the demised premises for the agreed term.

SECTION THREE

USE OF PREMISES

The demised premises shall be used and occupied by lessee exclusively as a private single family residence, and neither the premises nor any part thereof shall be used at any time during the term of this lease by lessee for the purpose of carrying on any

business, profession, or trade of any kind, or for any purpose other than as a private single family residence. Lessee shall comply with all the sanitary laws, ordinances, rules and orders of appropriate governmental authorities affecting the cleanliness, occupancy, and preservation of the demised premises during the term of this lease.

SECTION FOUR

NUMBER OF OCCUPANTS

Lessee agrees that the demised premises shall be occupied by no more than four (4) persons, consisting of two (2) adults and two (2) children under the age of eighteen (18) years, without the written consent of lessor.

SECTION FIVE

CONDITION OF PREMISES

Lessee stipulates that they have examined the demised premises, including the grounds and all buildings and improvements, and that they are, at the time of this lease, in good order, repair, and a safe, clean, and tenantable condition.

SECTION SIX

ASSIGNMENT AND SUBLETTING

Without the prior written consent of lessor, lessee shall not assign this lease, or sublet or grant any concession or license to use the premises or any part thereof. A consent by lessor to one assignment, subletting, concession, or license shall not be deemed to be a consent to any subsequent assignment, subletting, concession, or license. An assignment, subletting, concession, or license without the prior written consent of lessor, or an assignment or subletting by operation of law, shall be void and shall, at lessor's option, terminate this lease.

SECTION SEVEN

ALTERATIONS AND IMPROVEMENTS

Lessee shall make no alterations to the mobile home or other improvements on the demised premises or construct any building or make other improvements on the demised premises without the prior written consent of lessor. All alterations, changes, and improvements built, constructed, or placed on the demised premises by lessee, with the exception of fixtures removable without damage to the premises and movable personal property, shall, unless otherwise provided by written agreement between lessor and lessee, be the property of lessor and remain on the demised premises at the expiration or sooner termination of this lease.

SECTION EIGHT

DAMAGE TO PREMISES

If the demised premises, or any part thereof, shall be partially damaged by fire or other casualty not due to lessee's negligence or wilful act or that of their employee, family, agent, or visitor, the premises shall be promptly repaired by lessor and there shall be an abatement of rent corresponding with the time during which, and the extent to which, the leased premises may have been untenantable; but, if the leased premises should be damaged other than by lessee's negligence or wilful act or that of their employee, family, agent, or visitor to the extent that lessor shall decide not to rebuild or repair, the term of this lease shall end and the rent shall be prorated up to the time of the damage.

SECTION NINE

DANGEROUS MATERIALS

Lessee shall not keep or have on the leased premises any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire on the leased premises or that might be considered hazardous or extra hazardous by any responsible insurance company.

SECTION TEN

UTILITIES

Lessee shall be responsible for arranging for and paying for all utility services required on the premises.

SECTION ELEVEN

MAINTENANCE AND REPAIR

Lessee will, at their sole expense, keep and maintain the leased premises and appurtenances in good and sanitary condition and repair during the term of this lease and any renewal thereof. In particular, lessee shall keep the fixtures in the mobile home or on or about the lease premises in good order and repair; and, at their sole expense, shall make all required repairs to the plumbing, range, heating apparatus, and electric and gas fixtures whenever damage thereto shall have resulted from lessee's misuse, waste, or neglect or that of their employee, family, agent, or visitor.

SECTION TWELVE

ANIMALS

Lessee shall keep no domestic or other animals on or about

the leased premises without the prior consent of lessor.

SECTION THIRTEEN

RIGHT OF INSPECTION

Lessor and their agents shall have the right at all reasonable times during the term of this lease and any renewal thereof to enter the demised premises for the purpose of inspecting the premises and all buildings and improvements thereon.

SECTION FOURTEEN

DISPLAY OF SIGNS

During the last thirty (30) days of this lease, lessor or their agent shall have the privilege of displaying the usual "For Sale" or "For Rent" or "Vacancy" signs on the demised premises and of showing the property to prospective purchasers or tenants.

SECTION FIFTEEN

HOLDOVER BY LESSEE

Should lessee remain in possession of the demised premises with the consent of lessor after the natural expiration of this lease, a new tenancy from month to month shall be created between lessor and lessee which shall be subject to all the terms and conditions hereof but shall be terminable on thirty (30) days' written notice served by either lessor or lessee on the other party.

SECTION SIXTEEN

SURRENDER OF PREMISES

At the expiration of the lease term, lessee shall quit and surrender the premises hereby demised in as good state and condition as they were at the commencement of this lease, reasonable use and wear thereof and damages by the elements excepted.

SECTION SEVENTEEN

DEFAULT

If any default is made in the payment of rent, or any part thereof, at the times hereinbefore specified, or if any default is made in the performance of or compliance with any other term or condition hereof, the lease, at the option of lessor, shall terminate and be forfeited, and lessor may re-enter the premises and remove all persons therefrom. Lessee shall be given written notice of any default or breach, and termination and forfeiture of the lease shall not result if, within thirty (30) days of

receipt of such notice, lessee has corrected the default or breach or has taken action reasonably likely to effect such correction within a reasonable time.

SECTION EIGHTEEN

ABANDONMENT

If at any time during the term of this lease lessee abandons the demised premises or any part thereof, lessor may, at their option, enter the demised premises by any means without being liable for any prosecution therefor, and without becoming liable to lessee for damages or for any payment of any kind whatever, and may, at their discretion, as agent for lessee, relet the demised premises, or any part thereof, for the whole or any part of the then unexpired term, and may receive and collect all rent payable by virtue of such reletting, and, at lessor's option, hold lessee liable for any difference between the rent that would have been payable under this lease during the balance of the unexpired term, if this lease had continued in force, and the net rent for such period realized by lessor by means of such reletting. If lessor's right of re-entry is exercised following abandonment of the premises by lessee, then lessor may consider any personal property belonging to lessee and left on the premises to also have been abandoned, in which case lessor may dispose of all such personal property in any manner lessor shall deem proper, and is hereby relieved of all liability for doing so.

SECTION NINETEEN

INSURANCE

Lessee at their own expense shall insure and keep insured the property of lessor covered by this lease with insurance companies acceptable to lessor and shall procure, pay for and deliver to lessor policies of insurance against loss or damage by fire, accident, or windstorm for not less than the amount for which the improvements on the premises shall be assessed for the purposes of taxation for the year 1982, if insurable for that amount.

SECTION TWENTY

OPTION TO PURCHASE

Lessor shall, on receipt of a written notice from lessee on or after date of closing, but prior to July 15, 1984, stating that lessee elects to purchase the demised premises pursuant to the provisions hereof, convey the demised premises to lessee, providing lessee shall have duly and punctually fulfilled all of the provisions and conditions of this lease, subject to the following conditions:

(1) The purchase price of the demised premises shall be Forty-five Thousand Dollars (\$45,000.00) to be paid in cash to lessor on or before the date of delivery by lessor of a deed to the premises.

(2) Lessee shall pay to Lessor for the option to purchase the leased premises the following amounts at the following times:

(a) Three Thousand Five Hundred Dollars (\$3,500.00) on the execution and delivery of this lease, the receipt of which is hereby acknowledged;

(b) Two Thousand Five Hundred Dollars (\$2,500.00) on or before July 15, 1983;

(c) Two Thousand Five Hundred Dollars (\$2,500.00) on or before July 15, 1984;

the total purchase price for the option being Eight Thousand Five Hundred Dollars (\$8,500.00). On the exercise of the option to purchase the balance of the purchase price shall be paid as follows:

The sum of Thirty-six Thousand Five Hundred Dollars (\$36,500.00) less an amount equal to the total of the rental payments as provided for in Section One hereof which have been received as of the date the option is exercised, such sum to be paid in cash, or at purchasers' option, in payments of \$315.97 per month at Twelve Percent (12%) interest, with the entire unpaid balance being paid in full within ten (10) years of the date of exercising the option, all in accordance with the terms of a real estate contract which the parties agree to execute in the form appended hereto as Exhibit "A".

(3) If lessee shall fail for any reason to exercise the right and privilege to purchase the leased premises in the manner herein provided, lessor shall retain all payments received from lessee pursuant to the provisions of paragraph (2) of this section as liquidated damages and lessee shall have no right to receive back any part thereof.

(4) Lessor shall furnish to lessee at the time the option to purchase is exercised, a purchasers' policy of title insurance in standard form or a commitment therefor issued by a Washington Title Insurance Company insuring the purchasers to the full amount of the purchase price against loss or damage by reason in defect in sellers' 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 purchasers are to assume or as to which the conveyance hereunder is to be made subject; and

(c) Easements of record;

(5) Conveyance of title to the leased premises shall be by good and sufficient warranty deed.

SECTION TWENTY-ONE

BINDING EFFECT

The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, and assigns of the parties hereto, and all covenants are to be construed as conditions of this lease.

In witness whereof, the parties have executed this lease
the day and year first above written.

LESSOR:

GERALD G. NEYLAND

MARTHA A. NEYLAND

LESSEE:

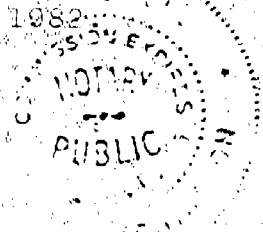
THOMAS D. OLETZKE

KATHLEEN A. OLETZKE

STATE OF WASHINGTON)
) ss.
County of *SAN JUAN*)

On this day personally appeared before me GERALD C. NEYLAND and MARTHA A. NEYLAND, husband and wife, to me known to be the individuals 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.

2. GIVEN under my hand and official seal this 7th day of July.



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

STATE OF WASHINGTON)
County of Skamania) ss.

On this day personally appeared before me THOMAS D. OLETZKE and KATHLEEN A. OLETZKE, husband and wife, to me known to be the individuals 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 27th day of
July, 1982.



Wayne L. Ferguson
Notary Public in and for the State
of Washington, residing at Stevenson.

Unofficial Copy

REAL ESTATE CONTRACT
(FORM A-1964)

THIS CONTRACT, made and entered into this _____ day of _____
between _____
hereinafter called the "seller," and
hereinafter called the "purchaser,"

WITNESSETH That 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 _____ County, State of Washington:

The terms and conditions of this contract are as follows: The purchase price is

_____ Dollars, of which
_____ Dollars have
been paid, the receipt whereof is hereby acknowledged, and the balance of said purchase price shall be paid as follows:

_____ Dollars,
or more at purchaser's option, on or before the _____ day of _____, 19____
and _____ Dollars,

or more at purchaser's option, on or before the _____ day of _____, 19____
purchase price shall have been fully paid. The purchaser further agrees to pay interest on the diminishing balance of said purchase price at the
rate of _____ per cent per annum from the _____ day of _____, 19____
which interest shall be deducted from each installment payment and the balance of each payment applied in reduction of principal.

All payments to be made hereunder shall be made at
or at such other place as the seller may direct in writing.

As referred to in this contract, "date of closing" shall be

(1) The purchaser assumes and agrees to pay before delinquency all taxes and assessments that may as between grantor and grantee hereafter become a lien on said real estate, and if by the terms of this contract the purchaser has assumed payment of any mortgage, contract or other encumbrance, or has assumed payment of or agreed to purchase subject to, any taxes or assessments now a lien on said real estate, the purchaser agrees to pay the same before delinquency.

(2) The purchaser agrees, until the purchase price is fully paid, to keep the buildings now and hereafter placed on said real estate insured to the actual cash value thereof against loss or damage by both fire and windstorm in a company acceptable to the seller and for the seller's benefit, as his interest may appear, and to pay all premiums therefor and to deliver all policies and renewals thereof to the seller.

(3) The purchaser agrees that full inspection of said real estate has been made and that neither the seller nor his assigns shall be held to any covenant respecting the condition of any improvements or repairs unless the covenant or agreement is contained herein, or is in writing and attached to and made a part of this contract.

(4) The purchaser assumes all hazards of damage to or 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, and agrees that no such damage, destruction or taking shall constitute a failure of consideration. 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 the seller and applied as payment on the purchase price herein unless the seller elects to allow the purchaser to apply all or a portion of such condemnation award to the rebuilding or restoration of any improvements damaged by such taking. In case of damage or destruction from a peril insured against, the proceeds of such insurance remaining after payment of the reasonable expense of procuring the same shall be devoted to the restoration or rebuilding of such improvements within a reasonable time, unless purchaser elects that said proceeds shall be paid to the seller for application on the purchase price herein.

(5) The seller has delivered, or agrees to deliver within 15 days of the date of closing, a purchaser's policy of title insurance in standard form, or a commitment therefor, issued by SAFECO Title Insurance Company, 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 the following:

- a. Printed general exceptions appearing in said policy form;
- b. Liens or encumbrances which by the terms of this contract the purchaser is to assume, or as to which the conveyance hereunder is to be made subject; and
- c. Any existing contract of contracts under which seller is purchasing said real estate, and any mortgage or other obligation, which seller by this contract agrees to pay, none of which for the purpose of this paragraph (5) shall be deemed defects in seller's title.

(6) If seller's title to said real estate is subject to an existing contract or contracts under which seller is purchasing said real estate, or any mortgage or other obligation which seller is to pay, seller agrees to make such payments in accordance with the terms thereof, and upon default, the purchaser shall have the right to make any payments necessary to remove the default, and any payments so made shall be applied to the payments next falling due the seller under this contract.

(7) 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, free of encumbrances except any that may attach after date of closing through any person other than the seller, and subject to the following:

(8) Unless a different date is provided for herein, the 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 covenants to keep the buildings and other improvements on said real estate in good repair and not to permit waste and not to use, or permit the use of, the real estate for any illegal purpose. The purchaser covenants to pay all service, installation or construction charges for water, sewer, electricity, garbage or other utility services furnished to said real estate after the date purchaser is entitled to possession.

(9) In case the purchaser fails to make any payment herein provided or to maintain insurance, as herein required, the seller may make such payment or effect such insurance, and any amounts so paid by the seller, together with interest at the rate of 10% per annum thereon from date of payment until repaid, shall be repayable by purchaser on seller's demand, all without prejudice to any other right the seller might have by reason of such default.

(10) 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 improvements 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 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 to his address last known to the seller.

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

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date first written above.

(SEAL)

(SEAL)

(SEAL)

(SEAL)

STATE OF WASHINGTON

County of _____

On this day personally appeared before me _____

to me known to be the individual _____ described in and who executed the within and foregoing instrument, and acknowledged that

signed the same as _____

free and voluntary act and deed,

for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of _____

Notary Public in and for the State of Washington

residing at _____



SAFECO TITLE INSURANCE COMPANY

THIS SPACE RESERVED FOR RECORDER'S USE

Filed for Record at Request of _____

NAME _____

ADDRESS _____

CITY AND STATE _____