

100471

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OPTION AGREEMENT

THIS OPTION AGREEMENT (the "Agreement") is made and entered into this 4th day of December, 1985, by and between JAMES E. PETERSON and DIANE E. PETERSON, husband and wife (hereinafter referred to as the "Seller"), and GARY HAINS and DIANE HAINS, husband and wife, RONALD RICHSTAD and INGRID RICHSTAD, husband and wife, and JOHN TOWNE, a single man (hereinafter referred to as the "Purchaser").

FOR AND IN CONSIDERATION of the mutual terms and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Exclusive Option. The Seller hereby grants to the Purchaser the exclusive option to purchase (the "Option"), upon the terms and conditions hereinafter set forth, that certain real property and all appurtenances and fixtures thereon located in Skamania County, State of Washington, commonly known as Lot 2400, and that portion of Lot 100 lying on the north side of SR 14, and legally described as follows:

See Exhibit "A" attached hereto and incorporated herein fully by reference. See the map outlining the subject property attached as Exhibit "B" and incorporated herein fully by reference.

2. Consideration for Option. The consideration for this option is the payment of Five Thousand Three Hundred Twenty-Three and 41/100 Dollars (\$5,323.41) in cash, receipt of which is hereby acknowledged.

3. Term of Agreement. The exclusive option rights herein contained shall be granted for a period commencing on the date hereof and continuing thereafter (or a period ending on March 31, 1986).

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4. Exercise of Option and Closing

4.1 Subject to Section 5 below, this Option may be exercised by the Purchaser on or before the expiration of the Term, by written notice addressed to Seller at the address set forth below.

4.2 The exercise of this Option shall be with the sole and absolute discretion of the Purchaser.

4.3 If this option is exercised by the Purchaser, Five Thousand Three Hundred and No/100 Dollars (\$5,300.00) of the

option consideration is agreed to be applied toward the purchase price of the subject real property.

5. Failure to Exercise. In the event of the failure of the Purchaser to exercise the Option rights herein contained, or in the event of any default of the Purchaser after the exercise of the Option rights herein contained, all monies paid by the Purchaser to the Seller pursuant to the provisions hereof, shall be retained by the Seller as liquidated damages and as consideration for the granting of this Option to the Purchaser, and all rights of the Seller and the Purchaser under this agreement shall terminate.

6. Terms of Agreement. The purchase price shall be paid according to the terms and conditions of a Real Estate Purchase and Sale Agreement, a copy of which is attached hereto as Exhibit "B", and incorporated herein fully by reference. Each party shall initial each page of Exhibit "B" to define their intention to be bound by the terms and conditions therein contained upon closing subject to filling in any blank items necessarily therein contained. The parties may amend this option or attached agreement and its terms and conditions by mutual agreement reduced to writing and executed by all parties.

6.1 Closing Costs. At closing, the Seller shall pay the following charges and expenses:

- (a) One-half (1/2) of Real Estate Excise Tax.
- (b) One-half (1/2) of an amount equal to the premium for the issuance of a standard Form Title Insurance Policy in which Purchaser shall be named as Purchaser and pursuant to which the title to the property shall be insured in an amount equal to the purchase price.
- (c) One-half (1/2) escrow fees.
- (d) Seller's portion of the items to be prorated to the date of closing as set forth in Section 8 below.
- (e) One-half (1/2) of all other closing costs associated with this transaction, including termite, ant and pest inspection fees.

At closing, the Purchaser shall pay the following charges and expenses:

- (f) One-half (1/2) of Real Estate Excise Tax.
- (g) One-half (1/2) escrow fees.

(h) One-half (1/2) of an amount equal to the premium for the issuance of a standard Form Title Insurance Policy in which Purchaser shall be named as Purchaser and pursuant to which the title to the property shall be insured in an amount equal to the purchase price.

(i) Purchaser's portion of the items to be prorated to the date of closing as set forth in Section 8 below.

(j) One-half (1/2) of all other closing costs associated with this transaction, including termite, ant and pest inspection fees.

7.2 Date of Closing. The closing of this transaction shall occur within sixty (60) days of Purchaser's exercise of the Option rights herein contained, as set forth in Section 4 above.

8. Apportionment as of Date of Closing. All utilities, rents, insurance, interest, reserves, and real estate taxes and assessments shall be apportioned as of the date of closing.

9. Notices of Violations. All notices and/or orders of violations of law or ordinances (hereinafter referred to as "violations") issued to the Seller by any state, local or municipal departments having jurisdiction against or affecting the Property at the date hereof or at the date of closing shall be complied with by the Seller, which shall be obliged to remove the violations. Nothing herein shall prevent the Seller from contesting (whether by judicial action or otherwise) the nature and/or validity of any such violation so long as such violation does not prevent the development, financing and/or operation of the Property by the Purchaser.

10. Notices. Any payments or notices required or desired to be given under this Agreement shall be in writing and personally served or given by mail. Any notice or payment given by mail shall be sent, postage prepaid, by certified mail, return receipt requested and addressed to the party to receive the same at the following address or at such other address or addresses as the parties may from time to time direct in writing.

SELLER

JAMES E. and DIANE E. PETERSON
MPO .18L Little Drive
Stevenson, Washington 98648

PURCHASER

GARY and DIANE HAINS
MPO .03L Tiny Drive
Stevenson, Washington 98648

and a copy to: MARK B. HANSEN
Horenstein & Horenstein, P.S.
1220 Main Street, Suite 300
P.O. Box 694
Vancouver, Washington 98666

10. Right to Assign. This option and all rights hereunder or by virtue hereof shall be freely assignable, as between the Purchasers among themselves or between the Purchasers and third parties, and if so assigned, any and all acts performable by Purchaser hereunder may be performed by any assignee.

11. Brokerage. There is no brokerage fee or commission incurred upon the sale of the premises and closing of this transaction. The Seller agrees to indemnify and hold harmless the Purchaser from any and all costs, expenses or damages resulting from any claims for brokerage fees or other similar forms of compensation made by any real estate broker or any other person or entity because of the sale of the real property hereunder.

12. Inspection of Premises. During any period of this option, Seller shall allow Purchaser or any agent of Purchaser to make a full inspection of the premises at any reasonable time with a minimum of 24 hours' notice, which notice may be waived by Seller. Further, Purchaser or their agents shall be allowed access to the property prior to the execution of this option for the purposes of conducting surveys, tests, and inspection on the premises. Should this option not be executed, Purchaser shall be responsible for leaving the property in the condition it was in as of the date of this option.

13. Hold Harmless Provision. Preliminary inspection and development costs incurred by the Purchaser to evaluate the suitability of the premises for Purchaser's intended use, including but not limited to all surveys and tests conducted on the property prior to the exercise of this option or closing of this transaction shall be at the expense of the Purchaser. Purchaser shall indemnify and hold the Seller harmless and the property of the Seller, including the Seller's interest in the property, free and harmless of liability for any and all claims, liens, encumbrances or other expenses and/or costs incurred resulting from activities of the Purchaser or their subsequent vendees on the property for the Purchaser's intended use prior to the exercise of this option or closing of this transaction.

14. Miscellaneous.

14.1 Entire Agreement. This Agreement constitutes the entire Agreement between the parties. No representations, warranties, or promises pertaining to this option or any property affected by this option have been made by, or shall be binding on, any of the parties, except as expressly stated in this option. This option and such agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any such change is sought.

14.2 Binding Nature. All rights and obligations arising out of this Agreement shall inure to the benefit of and be binding upon the respective successors, heirs, assigns, administrators, executors and marital communities, if any, of the parties hereto.

14.3 Washington Law. This Agreement shall be construed, interpreted and enforced pursuant to the laws of the State of Washington and the parties agree that the Superior Court of Clark County for the State of Washington shall have sole and exclusive venue and jurisdiction of any suit or proceeding brought with respect to this Agreement or the Property.

14.4 Attorney Fees. In the event any action or legal proceedings are commenced to enforce any of the terms and conditions hereof or to terminate this Agreement (whether the same shall proceed to judgment or otherwise), the losing party agrees to pay the prevailing party's attorney fees incident to said litigation, together with all costs and expenses incurred in connection with such action, including costs of searching records to determine the condition of title, and whether or not incurred in trial court or on appeal, or in any proceedings under the federal bankruptcy code or state receivership statutes.

14.5 Time. Time is of the essence of this Agreement.

14.6 Captions. The captions and section headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any section.

14.7 Counterparts. This Agreement may be signed in counterparts, any one of which shall be deemed an original.

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DATED this 4th day of December, 1985.

SELLER

James E. Peterson
JAMES E. PETERSON

Diane E. Peterson
DIANE E. PETERSON

PURCHASER

Gary Hains
GARY HAINS

Diane Hains
DIANE HAINS

Ronald Richstad
RONALD RICHSTAD

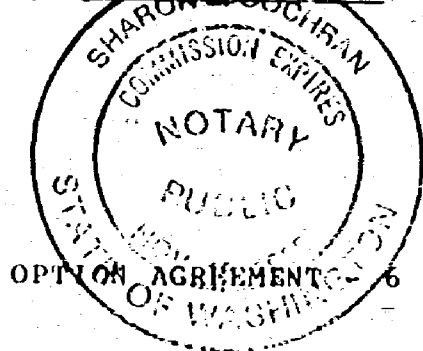
Ingrid Richstad
INGRID RICHSTAD

John Towne
JOHN TOWNE

STATE OF WASHINGTON)
County of Clark) ss.

On this day personally appeared before me JAMES E. PETERSON and DIANE E. PETERSON, husband and wife, to me known to be the individuals described in and who executed foregoing instrument and acknowledged to me 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 4th day of December, 1985.



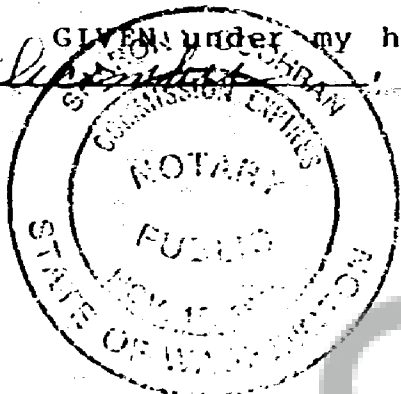
Sharon L. Cochran
NOTARY PUBLIC in and for the State of Washington, residing at Vancouver

STATE OF WASHINGTON)

County of Clark) : ss.

On this day personally appeared before me GARY HAINS and DIANE HAINS, to me known to be the individuals described in and who executed foregoing instrument and acknowledged to me 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 4th day of April, 1985.



Sharon L. Cochran
NOTARY PUBLIC in and for the State of Washington, residing at Vancouver

STATE OF WASHINGTON)

County of Clark) : ss.

On this day personally appeared before me RONALD RICHSTAD and INGRID RICHSTAD, husband and wife, to me known to be the individuals described in and who executed foregoing instrument and acknowledged to me 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 17th day of December, 1985.



Sharon L. Cochran
NOTARY PUBLIC in and for the State of Washington, residing at Vancouver

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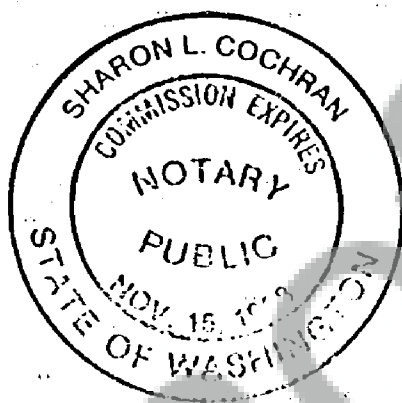
STATE OF WASHINGTON)

: ss.

County of Clark)

On this day personally appeared before me JOHN TOWNE, a single man, to me known to be the individual described in and who executed foregoing instrument and acknowledged to me that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 4th day of December, 1985.



Sharon L. Cochran
NOTARY PUBLIC in and for the State of Washington, residing at Vancouver

SPY 11-11-1985
COUNTY OF CLARK

I HEREBY CERTIFY THAT THE WITHIN INSTRUMENT OF WHICH IS FILED BY

Mike P. Thompson
21 694 Jane

2 1 12-23-85

Dec. 2 12-23-85
489

Gary M. Allen
E. M. Allen

REAL ESTATE EXCISE TAX
DEC 23 1985

AND
CLARK COUNTY TREASURER

OPTION AGREEMENT - 8
(mbh/rp-3)

ORDER NO. 8875Sk

EXHIBIT "A"

PARCEL A

A tract of land in the Southwest Quarter of the Southeast Quarter of Section 26, Township 2 North, Range 6 East of the Willamette Meridian, Skamania County, Washington, more particularly described as follows:

BEGINNING at a point 68.5 feet North of the Southeast corner of the Southwest Quarter of the Southeast Quarter of said Section 26, said point being on the Northerly right of way line of State Road No. 14 as presently constructed and located; thence North along the East line on the Southwest Quarter of the Southeast Quarter of said Section 26, a distance of 425.5 feet; thence North $81^{\circ}13'$ West 1,010 feet, more or less, to a point North $25^{\circ}14'$ East from the Southwest corner of the Southwest Quarter of the Southeast Quarter of said Section 26; thence South $25^{\circ}14'$ West to the Southwest corner of the Southwest Quarter of the Southeast Quarter of the said Section 26; thence East to the Southeast corner of the Southwest Quarter of the Southeast Quarter of said Section 26; thence North 68.5 feet to the Point of Beginning.

EXCEPT that portion of said land lying within the Spokane, Portland and Seattle Railway Company's Right of Way, as marked and established across said land.

ALSO EXCEPT a tract of land conveyed to the United States of America by instrument recorded May 12, 1942 in Book 29 of Deeds, page 90, records of Skamania County, Washington.

TOGETHER WITH an easement for ingress, egress and utilities over and across the existing 30 foot roadway and the Southerly extension thereof, lying Easterly of and adjacent to the Easterly line of Parcel "A" herein described.

EXCEPT that portion of the Southwest Quarter of the Southeast Quarter of Section 26, Township 2 North, Range 6 East of the Willamette Meridian, Skamania County, Washington, described as beginning at the quarter section corner on the South line of said Section 26; thence East 360 feet; thence North $48^{\circ}30'$ East 150 feet; thence North $41^{\circ}30'$ West, 180 feet; thence North 59° West 181 feet; thence South 31° , West 383 feet to the Point of Beginning.

EXCEPT Beginning at the Southwest corner of the Southwest Quarter of the Southeast Quarter of Section 26, Township 2 North, Range 6 East of the Willamette Meridian, Skamania County, Washington; thence East 360 feet to the True Point of Beginning, thence North $48^{\circ}30'$ East 100 feet, more or less, thence North 41° West 210 feet, more or less, thence Northeasterly parallel with the North line of State Road No. 14, 200 feet, more or less, thence South 41° East 600 feet, more or less, to the North line of State Road No. 14, lying within the Northeast Quarter of Section 35, Township 2 North, Range 6 East; thence Southwesterly to the Railroad right of way thence Northwesterly to the Point of Beginning.

PARCEL B

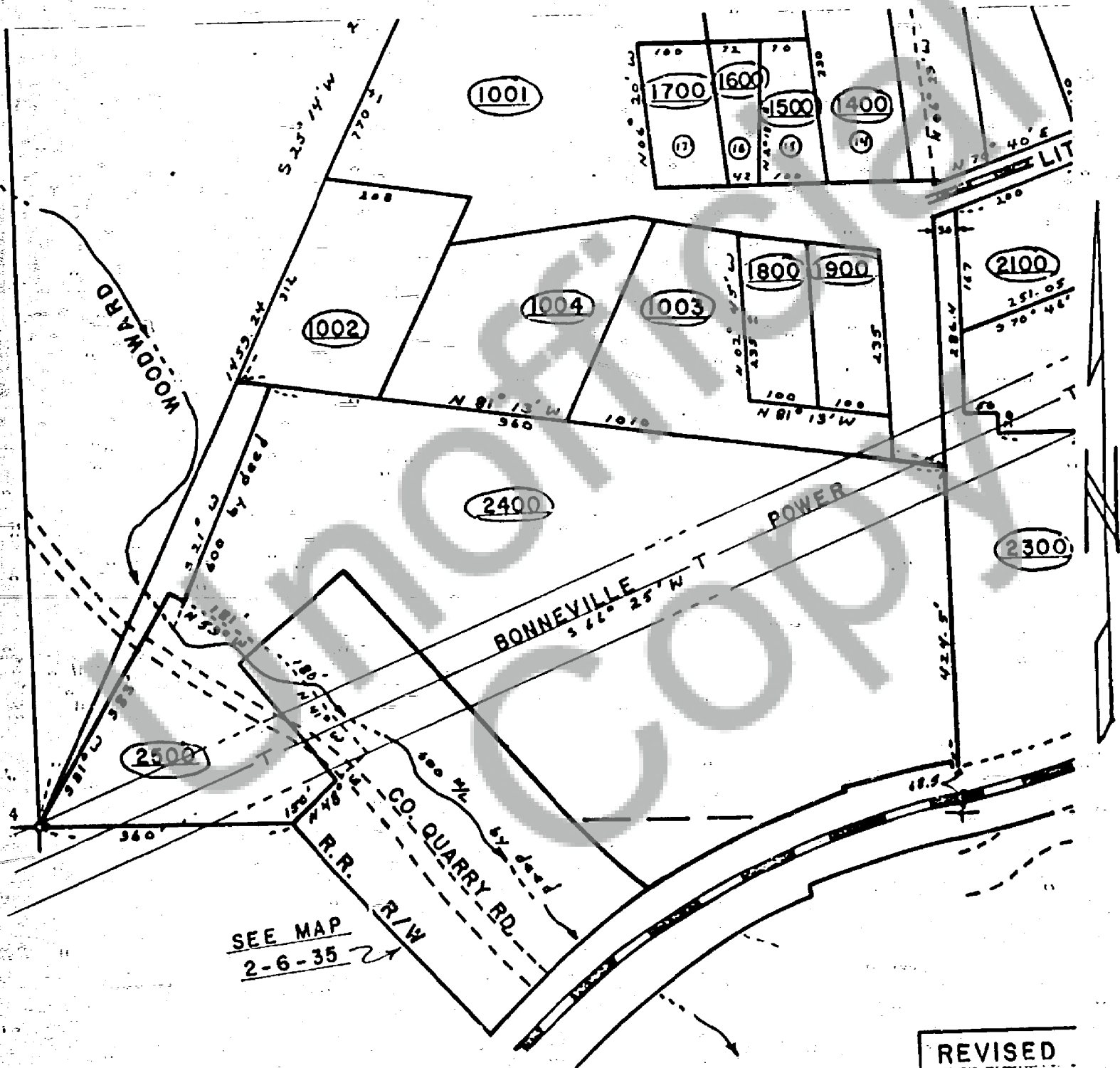
That portion of the Northeast Quarter of Section 35, Township 2 North, Range 6 East of the Willamette Meridian, Clark County lying Northerly and Easterly of the Spokane, Portland and Seattle Railway Company's right-of-way, as marked and established across said land, except that portion lying south of State Route 14.

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CLARK COUNTY TITLE COMPANY

1201 MAIN STREET • P.O. BOX 1308 • VA. LOUVER, VA 22660 • TELEPHONE (206) 691-4722

THIS MAP DOES NOT PURPORT TO SHOW ALL HIGHWAY, ROAD OR EASEMENT AFFECTING THE PROPERTY: NO LIABILITY IS ASSUMED FOR VERIFICATION IN DIMENSION AND LOCATION.



AGENT FOR

COMMONWEALTH LAND TITLE INSURANCE COMPANY

EXHIBIT

B

PAGE

REVISED