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BOOK 102 PAGE 201

AGREEMENT FOR PURCHASE AND SALE
AND SECURITY AGREEMENT

FILED FOR RECORD
SKAMANIA CO. WASH.
BY *John K. Kippenhake*

Nov 6 11 37 AM '86
E. M. M. M. M.

AUDITOR

THIS AGREEMENT dated this 20th day of September, 1986, by and between ALVIS WAYNE WHITE and JEANNE WHITE, husband and wife, hereinafter referred to as "Seller", and ROGER C. GROVE, a single person, VIRGIL C. GROVE and LUCILLE GROVE, husband and wife, hereinafter referred to as "Purchaser", provides as follows:

R E C I T A L S

WHEREAS, the Seller desires to sell to Purchaser and Purchaser desires to purchase from Seller certain assets described below, all in accordance with the terms and conditions of this Agreement,

NOW, THEREFORE, it is agreed:

1. Purchase and Sale: On the terms and subject to the conditions set forth in this Agreement, Seller hereby agrees to sell, assign, transfer and deliver to Purchaser, and Purchaser agrees to purchase from Seller, at the closing, the assets set forth in Exhibit "A" attached hereto and by this reference made a part hereof, free and clear of all liens, encumbrances and security interests, other than as provided for or disclosed herein.

2. Purchase Price and Payment Terms: Purchaser shall transfer and deliver to Seller the following as consideration to Seller for the transfer of the above-described properties to Purchaser:

A. Purchase Price: The total aggregate purchase price for the properties transferred herein shall be the sum of Sixty One Thousand Four Hundred Eighty and No/100 Dollars (\$61,480.00), of which Thirty One Thousand Four Hundred and Eighty and No/100 Dollars (\$31,480.00) has been paid, the receipt of which is hereby acknowledged. The Thirty One Thousand Four Hundred and Eighty and No/100 Dollars (\$31,480.00) is for the sale of the inventory of the business known as the Skamania General Store, per the attached Bill of Sale, attached hereto as Exhibit "D".

B. Payment Terms: The balance of the aggregate purchase price in the sum of Thirty Thousand and No/100 Dollars (\$30,000.00), shall be payable in monthly installments of Two Hundred Fifty and No/100 Dollars (\$250.00), for twenty-four (24) months, commencing September 10, 1986, and ending

Registered	<input checked="" type="checkbox"/>
Indexed, Dir	<input checked="" type="checkbox"/>
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Filed	<input checked="" type="checkbox"/>
Noted	<input checked="" type="checkbox"/>

AGREEMENT FOR PURCHASE AND
SALE AND SECURITY AGREEMENT - 1

AUDITOR'S NOTE: THIS INSTRUMENT HAS BEEN ALTERED PRIOR TO RECORDING

205 [Signature] A.W. JW
205 [Signature] A.W. JW
 August 31¹⁰, 1988. Commencing *September 10*, 1988, the monthly installments payable shall be in the sum of Five Hundred and No/100 Dollars (\$500.00), until the entire amount of the aggregate purchase price set forth in the Note attached hereto as Exhibit "B", and made a part hereof by reference, is paid in full. Purchaser shall have the right to prepay the entire balance of the purchase price at any time without penalty.

*Note attached
 for back
 payment at
 750.00*

The payment required under this subparagraph shall be paid to Seller at:

MP .068 Skamania Landing
 Skamania, WA 98648

3. Closing:

A. The purchase and sale provided for in this Agreement shall be consummated and closed (hereinafter referred to as the "closing"), on or before the *20th* day of *August*, 1986, unless extended by mutual agreement. *September*

B. At the closing, Seller shall:

(1) Execute such documents as are necessary to sell, transfer and assign to Purchaser all of the properties described above, free and clear of all liens, encumbrances and security interests other than as provided for herein and those provided for in that certain Sub-lease attached hereto as Exhibit "C".

4. Acceptance of Properties by Purchaser: The properties described above are being sold and assigned hereunder in an "as is, where is" condition. The Purchaser has examined the properties and is familiar with the same and accepts them in their present condition, without warranties or guaranties, except as specifically set forth herein. The Seller hereby expressly disclaims all warranties, either expressed or implied, including all warranties of merchantability or fitness for a particular purpose.

5. Covenants of Purchaser: So long as any amounts remain unpaid to Seller by Purchaser pursuant to this Agreement, Purchaser agrees:

A. To comply with all laws and requirements in the State of Washington with respect to the business in which the properties are to be used, and to pay all taxes with respect to the properties as the same become due.

B. To maintain the properties in a state of

repair equal to that which exists at the closing, ordinary wear and tear excepted.

C. Not to alter or remove properties from the County of Skamania, State of Washington, without the express written consent of Seller, which consent shall not be unreasonably withheld.

D. Not to permit any waste or injury to or destruction of the properties, or to use the properties or permit their use in any unlawful manner.

E. To observe those agreements made by Purchaser in the Sub-lease, attached hereto and incorporated herein as Exhibit "C".

6. Inspection: Seller shall have the right to inspect the properties at any time upon reasonable prior notice during the Purchaser's business hours and for this purpose may enter into the premises upon which the properties are located.

7. Events of Default: Time is of the essence of this Agreement. The following events are hereinafter referred to as "Events of Default" under this Agreement:

A. Any failure to pay within three (3) days from the due date the full amount of any monthly installments due pursuant to subparagraph 2(B) hereof, or any failure to pay when due the full amount of any taxes or other obligations pursuant to this Agreement.

B. Any failure to perform any covenant obligation provided for in this Agreement.

C. Seizure of or levy upon all or any of the properties under any legal or governmental process.

D. Purchaser becoming insolvent, filing a voluntary or involuntary petition in bankruptcy, making an assignment for the benefit of creditors, or the Purchaser being named in or the properties being subject to a suit for the appointment of a receiver.

If an "Event of Default" should occur, the entire amount of the indebtedness of the Purchaser to Seller pursuant to this Agreement, at the option of Seller, shall become immediately due and payable, and Seller shall have an immediate right to pursue their legal and/or equitable remedies; PROVIDED, HOWEVER, that the Seller shall first have delivered to the Purchaser a written notice of Seller's intent to declare a default, setting

forth a default alleged and requesting the Purchaser to remedy such default, and the Purchaser shall have failed to remedy such default within five (5) days from the date of Seller's Notice of Intent to Declare a Default. No such notice shall be required in the event that the Purchaser becomes insolvent, files a voluntary or involuntary petition in bankruptcy, makes an assignment for the benefit of creditors or the Purchaser becomes named in and/or the properties are the subject of a suit for an appointment of a receiver.

8. Remedies: In the event of default by purchaser under paragraph 2 above regarding payment terms, Sellers' remedies may be those provided for under RCW 62A, or, at Sellers' option, Sellers' remedies may be those provided for in the Sub-Lease attached hereto as Exhibit "C".

9. Waiver: No waiver or modification by the Seller of any of the terms or conditions hereof shall be effective unless in writing signed by Seller. This paragraph shall not, however, change those obligations contained in that certain Sub-lease attached hereto as Exhibit "C".

10. Notices: All communications hereunder shall be in writing and shall be sent by certified mail, return receipt requested, to the following addresses:

If to Seller: Alvis & Jeanne White
MP .068 Skamania Landing
Skamania, WA 98648

If to Purchaser: Roger C. Grove
Virgil C. & Lucille Grove
MP 33, Highway 14
Skamania, WA 98648

With a Copy to: Gilbert H. Kleweno
Boettcher, LaLonde, Kleweno,
Rutledge & Jaoh
P.O. Box 938
Vancouver, WA 98666

or such other address(es) as to which the notifying party has received notice in writing.

11. Successors and Assigns: The covenants, conditions, and terms of this Agreement shall extend to and be binding upon and inure to the benefit of the heirs, personal

representatives and assigns of the parties hereto: PROVIDED, HOWEVER, that nothing contained in this paragraph shall alter the restrictions herein contained relating to assignment.

12. Whole Agreement: This Agreement is the whole agreement between the parties and supersedes all oral understandings and previous written agreements which are inconsistent with the provisions hereof, EXCEPT as set forth in the Sub-lease, a copy of which is attached hereto as Exhibit "C", and as set forth in a Note, attached hereto as Exhibit "B", and a Bill of Sale, attached hereto as Exhibit "D" and made a part hereof by this reference. There are no other representations, warranties or other agreements among the parties which in any manner modify or change the terms of this Agreement.

13. Execution of Sub-lease: The parties hereto have this date executed a Sub-lease which is attached hereto as Exhibit "C" and made a part hereof by this reference. The terms of that Sub-lease are to be construed as consistent with the terms contained in this Agreement. If there should be a conflict, the terms of the Sub-lease shall control over the terms of this Agreement.

14. Assignment: Purchaser shall not sell, transfer or assign their interest in this Agreement or in the properties without the prior written consent of the Seller, whose consent shall not be unreasonably withheld.

15. Attorney's Fees: In case this Agreement is referred to an attorney for collection, or suit or action is instituted by any of the parties to enforce any provision of this Agreement, the prevailing party shall be entitled to, in addition to any award of costs or disbursements provided by statute, such additional sums as the Court may adjudge reasonable as attorney's fees and costs to be allowed in such suit or action, including sums allowed as reasonable attorney's fees and costs on any appeal of such suit or action.

16. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

17. Captions: The captions appearing in this Agreement are inserted for convenience of reference only, and in no way define, limit or circumscribe the scope and intent of this Agreement or any of the provisions hereof.

18. Creating of Security Interest: The Purchaser hereby grants to Seller a first priority security interest in the properties sold hereunder and any subsequently acquired equipment

and inventory, and any proceeds thereof, to insure the payment and satisfaction of the obligations of Purchaser to Seller set forth in this Agreement. The parties acknowledge and hereby agree that this Agreement shall constitute a binding security agreement among the parties pursuant to the provisions of RCW 62A.9. The parties further agree to execute and cause to be filed such documents as are necessary to properly perfect the security interest created herein.

19. Late Charges: There shall be a three (3) day grace period after the due date of each monthly installment during which grace period the installment payment as set forth above may be made without a late charge being assessed. HOWEVER, for each installment payment made more than three (3) days following the date upon which it is due, liquidated damages shall be assessed against the Purchaser in the amount of \$15.00 for each month that a \$250.00 payment is late, and in the amount of \$30.00 for each month that a \$500.00 payment is late. Such liquidated damages are not to be construed as a penalty, because the parties cannot ascertain precisely the actual damages resulting to Seller from such late payments.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

SELLER:

Alvis W. White
ALVIS WAYNE WHITE

Jeanne White
JEANNE WHITE

PURCHASER:

Roger C. Grove
ROGER C. GROVE

VIRGIL C. GROVE

LUCILLE GROVE

STATE OF WASHINGTON)

County of CLARK : ss.
SARAH

On this day personally appeared before me ALVIS WAYNE WHITE and ~~JEANNE WHITE~~, husband and wife, known to me to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same

AGREEMENT FOR PURCHASE AND
SALE AND SECURITY AGREEMENT - 6

as their voluntary act and deed, for the uses and purposes herein mentioned.

GIVEN under my hand and seal this 20th day of September, 1986.

Philip T. T.
NOTARY PUBLIC in and for the
State of Washington, residing
at Vancouver.

My Commission Expires:
1-15-90.

STATE OF WASHINGTON)
) ss.
County of Clark)

On this day personally appeared before me ROGER C. GROVE, a single person, and ~~VIRGIL C. GROVE and LUCILLE GROVE, husband and wife~~, known to me to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their voluntary act and deed, for the uses and purposes herein mentioned.

GIVEN under my hand and seal this 20th day of September, 1986.

Philip T. T.
NOTARY PUBLIC in and for the
State of Washington, residing
at Vancouver.

My Commission Expires:
1-15-90.

STATE OF WASHINGTON)
) ss.
County of Skamania)

On this day personally appeared before me JEANNE WHITE, known to me to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her voluntary act and deed, for the uses and purposes herein mentioned.

GIVEN under my hand and seal this 20th day of September, 1986.

Russell J. Prindle
Notary Public in and for the
State of Washington, residing
at Prindle.

AGREEMENT FOR PURCHASE AND
SALE AND SECURITY AGREEMENT - 7

EXHIBIT "A"

1. The leasehold interest and option to purchase as contained in the Sub-lease attached hereto as Exhibit "C", and covering that property legally described in Section 1 of Exhibit "C", describing property located in Skamania County, Washington. *Exhibit C is the original Sublease attached hereto* *See AWW. JW*
2. The equipment, fixtures, leasehold improvements of that business known as the Skamania General Store.
3. The business known as the Skamania General Store, including all goodwill, right, interest, or title thereto in which Seller may have an interest or possess.

Exhibit "A"

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

That ALVIS WAYNE WHITE and JEANNE WHITE, husband and wife, of the City of Skamania, County of Clark, State of Washington, for the sum of \$30,980.00, the receipt of which is hereby acknowledged, do by these presents grant, bargain, sell and convey to ROGER C. GROVE, a single person, ~~VIRGIL C. GROVE and LUCILLE GROVE, husband and wife~~, all right, title and interest in and to all of the inventory located at the business known as SKAMANIA GENERAL STORE, located at MP 33, Highway 14, Skamania, County of Clark, Washington.

AWW
RW
JW

The vendor herein covenants and agrees to warrant and defend the sale of said property hereby made, against all and every person or persons whomsoever, lawfully claiming the same or any part thereof. This sale is made pursuant to sale of the business known as the SKAMANIA GENERAL STORE and execution of the Sub-lease between the parties.

EXECUTED at VANCOUVER, Washington, this 20th day of September, 1986. AWW
RW
JW

Alvis Wayne White
ALVIS WAYNE WHITE

Jeanne White
JEANNE WHITE

EXHIBIT "D" - 1

STATE OF WASHINGTON)
: ss.
County of Clark)

On this day personally appeared before me ALVIS WAYNE WHITE and ~~JEANNE WHITE, husband and wife~~, known to me to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their voluntary act and deed, for the uses and purposes herein mentioned.

GIVEN under my hand and seal this 20th day of September, 1986.

Philip C. P. to
NOTARY PUBLIC in and for the
State of Washington, residing
at Vancouver.

My Commission Expires:
1-15-90.

STATE OF WASHINGTON)
: ss.
County of Skamania)

On this day personally appeared before me JEANNE WHITE, known to me to be the individual described in and who executed the within and foregoing instrument, and acknowledged that she signed the same as her voluntary act and deed, for the uses and purposes herein mentioned.

GIVEN under my hand and seal this 20th day of September, 1986.

Russell J. Prindle
Notary Public in and for the State
of Washington, residing at Prindle.



IT "D" - 2

EXHIBIT "B"

No.

\$ 30,000.00

Vancouver, Washington,

August, 19 86

FOR VALUE RECEIVED, without grace, I promise to pay to the order of

ALVIS WAYNE WHITE and JEANNE WHITE, husband and wife

the principal sum of

THIRTY THOUSAND AND NO/100 DOLLARS - - - - - (\$ 30,000.00)

with interest thereon from date hereof at the rate of 10 per cent per annum until maturity.

Said principal, together with interest as afore-said, shall be paid in monthly payments as follows (such payments including interest): Twenty-four (24) payments in the amount of \$250.00 to be followed by payments of \$500.00 per month until paid in full. First payment due in the amount of \$250.00 — or more — on the 10th day of September, 19 86, and a like sum on the 10th day of each and every month thereafter until the said principal sum, together with interest thereon, shall have been fully paid, as specified above. *

Said principal and interest shall be paid in lawful money of the United States, and shall bear interest from maturity until paid at the rate of 10 per cent per annum.

If default be made in the payment of this note, or any part thereof, or any interest thereon, then the principal sum with accrued interest shall at once become due and collectible without notice, time being of the essence, and said principal sum and interest shall bear interest from such default until paid at the rate of 10 per cent per annum.

In case suit is instituted to collect this note or any portion thereof, I promise to pay such additional sum as the court may adjudge reasonable as attorney fees in such suit.

This note with interest is secured by THAT AGREEMENT FOR PURCHASE AND SALE AND SECURITY AGREEMENT DATED THE 20th DAY OF SEPTEMBER, 1986.

This note is to be construed in all respects and enforced according to the laws of the State of Washington. * PROVIDED, HOWEVER, THAT PROMISER AGREES TO PAY AN ADDITIONAL 100.00 PER MONTH FOR SEVEN (7) MONTHS AND AN ADDITIONAL 50.00 ON THE 8th MONTH TOGETHER WITH THE PAYMENTS OF 250.00 PER MONTH

DUE HEREUNDER.
PRINCIPAL REMAINS
AT \$30,000.00

ROGER C. GROVE

~~VIRGIL C. GROVE~~

~~LUCILLE GROVE~~

AWW
RC
LW

ADDENDUM TO SUB-LEASE

ROGER GROVE, hereinafter referred to as "Sub-Lessee", and ALVIS WAYNE WHITE and JEANNIE WHITE, husband and wife, hereinafter referred to as "Sub-lessor", hereby agree to make the following addendum to a Sub-lease concurrently being executed by the parties (such Sub-lease hereinafter referred to as "the sub-lease"), and further agree to incorporate this Addendum into such Sub-lease and to make this Addendum a part thereof.

1. Because of certain clouds on the title which render uncertain the right of Sub-Lessor to sublet certain premises legally described as follows:

All that portion of the Northwest Quarter of the Southeast Quarter of Section 34, Township 2 North, Range 6 East of the Willamette Meridian, Skamania County, Washington, lying Northerly of the right of way for Primary State Highway No. 8; EXCEPT the West 20 feet thereof.

TOGETHER with three structures which are existing on said property, namely, a restaurant, general store and a small home.

(hereinafter referred to as "the property", and such term shall include any subdivision or parcel of the property as defined by the sublease) and in order to clarify and make such title certain, the parties have agreed that Sub-Lessee shall procure a title insurance report covering the property, under the following terms:

a) Sub-Lessee shall pay the cost of such title insurance report.

b) In the event that the title insurance report does not state that the Dunbars have fee simple title to the property or (regardless of the title report) if the Sublessors do not have the right to grant to Sub-Lessee the option to purchase the property in fee simple pursuant to the option to purchase the property according to the provisions of the sub-lease

then

i) Sub-Lessor agrees to renegotiate with Sub-Lessee the terms of the sub-lease and note, in

good faith. If such renegotiation fails, the parties will submit the matter to arbitration, with each party choosing one arbitrator and the two chosen arbitrators choosing a third. Each party will pay for the fees of the arbitrator he selects and 1/2 of the fees of the third arbitrator.

11) If Sub-Lessor retains the right to lease or sublease the property on a month-to-month basis, Sub-Lessor agrees to offer the Sub-Lessee a right of first refusal to rent the property on a month to month basis.

2. The parties acknowledge that this transaction may be subject to the provisions of the Bulk Sales Act, RCW 62A-6, et seq. Sub-Lessor agrees to take all necessary steps to comply with said Act and to hold Sub-Lessee harmless in the event that Sub-Lessor fails to take said steps.

DATED THIS 20th day of September, 1986.

Roger C Grove
ROGER GROVE, Sub-Lessee

Alvis Wayne White
ALVIS WAYNE WHITE, Sub-Lessor

Jeannie White
Alvis White as agent for Jeannie White
JEANNIE WHITE, Sub-Lessor

SUB-LEASE - BUSINESS PREMISES

SUB-LEASE made this 20th day of September, 1986, between ALVIS WAYNE WHITE and JEANNIE WHITE, husband and wife, herein referred to as "Sub-Lessor", and ROGER GROVE, a single person, and ~~VIRGIL CHESTER GROVE and LUCILLE GROVE~~, husband and wife, herein referred to as "Sub-Lessee". *see AWW Ju*

In consideration of the mutual covenants contained herein, the parties agree as follows:

Section 1.

Description of Premises

Sub-Lessor is Lessee of certain real property in Skamania County, Washington, legally described as follows:

All that portion of the Northwest Quarter of the Southeast Quarter of Section 34, Township 2 North, Range 6 East of the Willamette Meridian, Skamania County, Washington, lying Northerly of the right of way for Primary State Highway No. 8; EXCEPT the West 20 feet thereof.

together with three structures which are existing on said property, namely, a restaurant, general store, and a small home pursuant to a Lease dated the 13th day of September, 1985, wherein James R. Dunbar and Nancy Dunbar, husband and wife, and Lorraine S. Youngs, a single person, are Lessors. Said Lease is attached hereto as Exhibit "A" and is hereby fully incorporated herein. Sub-Lessor leases to Sub-Lessee all of the above described properties subject to said Lease with the exception of that portion of the described premises presently sub-leased to Velma Lillian Simpkins and Leonard Simpkins, husband and wife, to wit: the restaurant together with the real property upon which it is located including the most westerly 150' measured along the south border and all property lying north thereof.

Section 2.

Term of Sub-Lease

This Sub-Lease shall commence on the 1st day of August, 1986, and terminate on the 30th day of April, 1994.

Section 3.

Monthly Rent - Base Rent - Prorate Increases

There shall be a base monthly rent of the described premises, payable monthly in advance of the first day of each month and every calendar month thereafter in lawful money of the United States, at the office of Sub-Lessor or its agents, to-wit: The sum of One Thousand Seven Hundred Sixty-two and 51/100 (\$1,762.51) Dollars. It is understood and agreed that in addition to the base rent specified herein Sub-Lessee shall be responsible to pay to Sub-Lessor additional costs incurred by Sub-Lessor as a result of increases validly made in Sub-Lessors' rent under the Lease dated September 13, 1985 because of real and personal property taxes and

fire insurance. It is further understood by Sub-Lessee that Sub-Lessee's total rent increase shall not exceed eighty (80%) percent of the increase in Sub-Lessors' rent under the Lease.

Sub-Lessor shall notify Sub-Lessee in writing of the increased monthly rental rate based on the costs as provided above to Sub-Lessor and provide verification of the same, and the increase shall become effective on the last day of the calendar month which follows said notice by not less than thirty (30) days.

In addition thereto as part of the rent herein, Sub-Lessee shall pay from time to time as required by Sub-Lessor, all costs of repair work to all structures located on the leased premises. All capital improvements are to be made by Sub-Lessor.

Section 4.

Use of the Premises

The premises shall be used for the purpose of a general store and such other business as Sub-Lessor consents to in writing. Said consent shall not be unreasonably withheld. All such business uses shall be in conformance with all local, State and Federal laws and regulations.

Section 5.

Restrictions on Use - Fire Insurance Risks

Sub-Lessee shall not use the premises in any manner that will increase risks covered by insurance on the premises and result in an increase in the rate of insurance or a cancellation of any insurance policy, even if such use may be in furtherance of Sub-Lessee's business purposes. Sub-Lessee shall not keep, use or sell anything prohibited by any policy of fire insurance covering the premises, and shall comply with all requirements of the insurers applicable to the premises necessary to maintain the fire and liability insurance.

Section 6.

Waste, Nuisance, or Unlawful Activity

Sub-Lessee shall not allow any waste or nuisance on the premises, or use or allow the premises to be used for any unlawful purpose.

Section 7.

Utilities

Sub-Lessee shall arrange and pay for all utilities furnished to the premises for the term of this lease, including electricity, gas, sewer and telephone service.

Section 8.

Repairs and Maintenance

Sub-Lessee shall reimburse Sub-Lessor for all costs of repairs and maintenance to the exterior of said building. Payment shall be made to Sub-Lessor by Sub-Lessee upon Sub-Lessor's demand.

for payment as they are necessary from time to time for the maintenance and repair costs. Sub-Lessee shall be responsible for and shall maintain the interior of the premises and keep them in good repair.

Section 9.

Delivery, Acceptance, and Surrender of Premises Except as Provided Herein

Acceptance of the premises by Sub-Lessee shall be construed as recognition that the premises are in a good state of repair and in sanitary condition. Sub-Lessee shall surrender the premises at the end of the lease term, or any renewal thereof, in the same condition as when Sub-Lessee took possession, allowing for reasonable use and wear, and damage by acts of God, including fires and storms. Before delivery, Sub-Lessee shall remove all business signs placed on the premises by Sub-Lessee and restore the portion of the premises on which they were placed in the same condition as when received.

Section 10.

Partial Destruction of Premises

Partial destruction of premises shall not render this Sub-Lease void or voidable, nor terminate it except as herein provided. If the premises are partially destroyed during the term of this Sub-Lease, Sub-Lessor shall repair them when such repairs can be made in conformity with governmental laws and regulations, within ninety (90) days of the partial destruction. Written notice of the intention of Sub-Lessor to repair shall be given to Sub-Lessee with thirty (30) days after any partial destruction. Rent will be reduced proportionately to the extent to which the repairs operations interfere with the business conducted on the premises by Sub-Lessee. This proportionate reduction in rent shall be determined by agreement of Sub-Lessor and Sub-Lessee or, if said parties are unable to agree, by an independent third party chosen by said parties. If the repairs cannot be made within the time specified above, Sub-Lessor shall have the option to make them within a reasonable time and continue this Sub-Lease in effect with proportional rent rebate to Sub-Lessee as provided for herein. If the repairs cannot be made in one hundred twenty (120) days, and if Sub-Lessor does not elect to make them within a reasonable time, either party shall have the option to terminate this Sub-Lease.

Section 11.

Re-Entry Rights

Sub-Lessor reserves the right to enter the premises upon notice to Sub-Lessee at reasonable times to inspect the demised premises, perform required maintenance and repairs, or make additions, alterations, or modifications to any part of either building located on the premises and Sub-Lessee shall permit Sub-Lessor to do so. Sub-Lessor may erect scaffolding, fences, similar structures, post relevant notices, and place moveable equipment in connection with making alterations, additions, or repairs, all without incurring liability to Sub-Lessee for disturbance of quiet enjoyment of the premises, or loss of occupation thereof.

Section 12.

Business Sales Signs

Sub-Lessee shall not conduct "Quitting Business", or "Lost Our Lease", "Bankruptcy" or other sales of that nature on the premises without the written consent of Sub-Lessor.

Section 13.

Indemnification by Sub-Lessee

Sub-Lessee agrees that Sub-Lessor shall not be liable for any claims for death or injury to person or damages to or destruction of property sustained by Sub-Lessee or by any other person on the premises for any reason including, without limiting the generality of the foregoing, any claims caused by or arising from the condition or maintenance of any part of the premises, unless damage is caused by the sole negligence of Sub-Lessor. Sub-Lessee hereby waives all claims therefore and agrees to indemnify Sub-Lessor against any such loss, damage or liability or any expense incurred by Sub-Lessor in connection therewith, including but not limited to, reasonable attorney's fees and Court costs.

Section 14.

Liability Insurance

Sub-Lessee shall, at Sub-Lessee's expense, maintain public liability and property damage insurance insuring against any and all claims for injury to or death of persons and loss or damage to property occurring upon, in or about the premises. Such insurance shall have liability limits of not less than \$100,000.00 in respect of injury or death to any one person, not less than \$300,000.00 in respect of any one occurrence or accident, and not less than \$50,000.00 for property damage with a maximum deductible amount of \$500.00. All such insurance shall name Sub-Lessor and Sub-Lessee as co-insureds, with severability of interest endorsement.

All such insurance shall be issued by carriers acceptable to Sub-Lessor and shall contain a provision whereby the carrier agrees not to cancel or modify the insurance without twenty (20) days prior written notice to Sub-Lessor.

On or before taking possession of the premises pursuant to this Sub-Lease, Sub-Lessee shall furnish Sub-Lessor with a certificate evidencing the aforesaid insurance coverage, and renewal certificates shall be furnished to Sub-Lessor at least thirty (30) days prior to the expiration date of each policy for which a certificate was therefore furnished.

Section 15.

Assignment and Subletting

Sub-Lessee shall not assign this Sub-Lease, or any interest therein and shall not sublet the premises or any part thereof without first obtaining the written consent of Sub-Lessor, which consent shall not be unreasonably withheld. Consent by Sub-Lessor to one assignment, subletting, occupation or use by another person

shall not be deemed to be a consent to any subsequent assignment, subletting occupation or use by another person. Consent to an assignment shall not release the original named Sub-Lessee from liability for the continued performance of the terms and provisions on the part of Sub-Lessee to be kept and performed unless Sub-Lessor specifically releases Sub-Lessee from said liability. Any assignment or subletting without the prior written consent of Sub-Lessor shall be void and shall, at the option of Sub-Lessor, terminate this Sub-Lease. This Sub-Lease shall not nor shall any interest therein be assignable as to the interest of Sub-Lessee by operation of law without the prior written consent of Sub-Lessor.

Section 16.

Default

Should Sub-Lessee at any time be in default hereunder with respect to any rental payments or other charges payable to Sub-Lessor and should such default continue for a period of five (5) days after written notice from Sub-Lessor to Sub-Lessee, or should Sub-Lessee be in default in the performance of any other of its promises, covenants or agreements herein contained and should such default continue for thirty (30) days after written notice thereof from Sub-Lessor to Sub-Lessee specifying the particulars of such default, or should Sub-Lessee vacate or abandon the premises, then in any of such events and in addition to any or all other rights or remedies of Sub-Lessor hereunder or by law provided, it shall be the option of Sub-Lessor:

(a) The right of Sub-Lessor to declare this Sub-Lease in default and terminated and to re-enter the premises and take possession of them and remove all persons from them, and Sub-Lessee shall have no further claim to them; or

(b) The right of Sub-Lessor without declaring this Sub-Lease ended, to re-enter the premises and occupy or sub-lease the whole or any part of them for and on account of Sub-Lessee and upon such terms and conditions and for such rent that Sub-Lessor may deem proper, to collect said rent and any other rent that may thereafter become payable and apply the same toward the amount due or thereafter to become due from Sub-Lessee and on account of the expenses of such subletting and any other damages sustained by Sub-Lessor; and should such rental be less than that herein agreed to be paid by Sub-Lessee, such rental be less than that herein agreed to be paid by Sub-Lessee, Sub-Lessee agrees to pay such deficiency to Sub-Lessor in advance on the day of each month hereinbefore specified for payment of annual rental and to pay to Sub-Lessor forthwith upon any such reletting the costs and expenses the Sub-Lessor may incur by reason thereof; and Sub-Lessor shall establish that it has made reasonable efforts to rent at current rental rates of said premises.

(c) The right of Sub-Lessor, even though it may have relet the premises, to thereafter elect to terminate this Sub-Lease and all rights of Sub-Lessee in or to the premises.

Should Sub-Lessor have relet the premises under the provisions of subparagraph (b) above, it may execute any such sub-lease either in its own name or in the name of Sub-Lessee as it shall see fit, but Sub-Lessee therein named shall be under no

obligation whatsoever to see to the application by Sub-Lessor of any rent collected by Sub-Lessor from such Sub-Lessee, nor shall Sub-Lessee herein have any right of authority whatsoever to collect any rent from such Sub-Lessee. Sub-Lessor shall not be deemed to have terminated this Sub-Lease or the liability of Sub-Lessee to pay rent thereafter to accrue or its liability for damages under any of the provisions hereof by such re-entry or by any action in unlawful detainer or otherwise to obtain possession of the premises, unless Sub-Lessor shall have notified Sub-Lessee in writing that it has so elected to terminate this Sub-Lease. Nothing herein contained shall be construed as obligating Sub-Lessor to relet the whole or any part of the premises. In the event of any such entry or taking possession of the premises, Sub-Lessor shall have the right, but not the obligation, to remove all or any part of the personal property located therein and may place the same in storage at a public warehouse at the expense and risk of the owner or owners thereof.

Should Sub-Lessor elect to terminate this Sub-Lease under the provisions of subparagraphs (a) or (c) above, Sub-Lessor shall be entitled to recover from Sub-Lessee:

(a) The worth at the time of award of the unpaid rent which has been earned at the time of termination.

(b) The worth at the time of award of the amount of which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Sub-Lessee proves could have been reasonably avoided.

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Sub-Lessee proves could be reasonably avoided, and

(d) Any other amount necessary to compensate Sub-Lessor for all the detriment proximately caused by Sub-Lessee's failure to perform its obligation under the Sub-Lease or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award" of the amounts referred to in subparagraphs (a) and (b) above shall be computed by allowing interest at ten percent (10%) per annum. The worth at the time of award of the amount referred to in subparagraph (c) shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

In the event of default all of the Sub-Lessee's fixtures and equipment shall remain on the subject premises and in the event and continuing during the length of said default, Sub-Lessor shall have the right to take the exclusive possession of same and to use the same, rent or charge-free, until all defaults are cured, or, at Sub-Lessor's sole option, require Sub-Lessee to forthwith remove the same.

Section 17.

Condemnation

Eminent domain proceedings resulting in the condemnation of a part of the premises sub-leased herein, but leaving the remaining

premises usable by Sub-Lessee for the purposes of its business, will not terminate this Sub-Lease. Provided, however, that the effect of any condemnation will be to terminate the Sub-Lease only as to the portion of the premises condemned, and the Sub-Lease of the remainder of the demised premises shall remain in full force and effect under the same terms and conditions hereunder. The rental for the remainder of the Sub-Lease term shall be reduced by the amount that the usefulness of the premises has been reduced for the business purposes of Sub-Lessee. Both parties shall have the right to pursue their own claims for condemnation but any amount received by the Sub-Lessor in compensation for real property loss due to condemnation shall be credited to Sub-Lessee as a reduction in the purchase price of the property. The 1985 base sale price shall be updated to current value as later described, then the above-mentioned compensation to Sub-Lessor shall be subtracted. The adjusted base will then be applied from the table for that year and extended as later described.

Section 18.

Attorney Fees

If an action be commenced to enforce any of the provisions of this lease, the prevailing party shall, in addition to its other remedies, be entitled to recover its reasonable attorneys' fees.

Section 19.

Late Payment Fees

Sub-Lessee shall be required to pay five percent (5%) of the monthly rental amount for late payment fees in the event that Sub-Lessee is ten (10) days in delinquency in its monthly rental payments herein. A late payment fee shall be incorporated in the next monthly payment to Sub-Lessor.

Section 20.

Equipment - Trade Fixtures

All equipment that is currently located in the general store shall be kept in working order by Sub-Lessee and any equipment that requires replacement in said store shall be replaced by Sub-Lessee with equipment equal to or of greater value than the replaced equipment. Repairs to existing equipment shall be paid for by Sub-Lessor and added to the rental payment for the current month. All of Sub-Lessor's original trade fixtures and equipment or replacements thereof shall be the property of Sub-Lessor. Any property left in the premises after the expiration or termination of this Sub-Lease shall be deemed to have been abandoned by Sub-Lessee and shall become the property of Sub-Lessor to dispose of as Sub-Lessor deems expedient without accounting to Sub-Lessee therefore. Any trade fixtures or equipment which Sub-Lessee may install in the premises other than any replacement equipment of the Sub-Lessor shall be removed by Sub-Lessee at the expiration or termination of this Sub-Lease.

Section 21.

Option to Purchase

The parties hereby acknowledge that Sub-Lessors possess a right and option to purchase the following described real property located in Skamania County, Washington and more particularly described as follows:

All that portion of the Northwest Quarter of the Southeast Quarter of Section 34, Township 2 North, Range 6 East of the Willamette Meridian, Skamania County, Washington, lying Northerly of the right of way for Primary State Highway No. 8; EXCEPT the West 20 feet thereof.

TOGETHER with three structures which are existing on said property, namely, a restaurant, general store and a small home.

Said option to purchase is exercisable only by Sub-Lessors and only as of April 29, 1994 pursuant to the lease attached hereto as Exhibit "A".

In consideration of the mutual agreements herein contained and as part of the rental monies paid by the Sub-Lessee, the Sub-Lessor hereby gives and grants to the Sub-Lessee the exclusive right at its option to purchase the sub-leased premises, to-wit: the properties subject to the lease attached hereto as Exhibit "A" with the exception of that portion of the described premises presently sub-leased to Leonard Simpkins and Velma Lillian Simpkins, husband and wife, to-wit: the restaurant together with the real property upon which it is located including the most westerly 150' measured along the south border and all property lying north thereof, on the same terms and conditions which Sub-Lessor purchases the demised premises from Lessor pursuant to the Lease annexed hereto as Exhibit "A" provided, however, that the purchase price for the demised premises which are the subject of this Lease shall be One Hundred Seventeen Thousand (\$117,000.00) Dollars.

Notice to Sub-Lessor of Sub-Lessee's intention to exercise their Option to Purchase shall be in writing and directed to Sub-Lessor by U.S. registered mail, return receipt requested, no later than February 1, 1994. Failure to so notify Sub-Lessor of his intent to exercise the Option to Purchase shall render said option null and void.

It is agreed between the parties that as a condition precedent to Sub-Lessee exercising the option to purchase, the following must occur;

1. That at all times herein, Sub-Lessee shall not be in default of any of the covenants, conditions or promises contained in this Sub-Lease.

2. That upon the occurrence of a breach of any of the conditions, covenants or promises as contained in this Sub-Lease, the option to purchase terminates.

3. The right to exercise said option will become effective on April 29, 1994 and terminate as of July 1, 1994.. It is not the intent of the parties that the option shall be

exercisable at any time prior to April 29, 1994 or subsequent to July 1, 1994.

4. The purchase price as established by the terms of this Sub-Lease and calculated herein shall be paid at the option of Sub-Lessor on an installment payment basis, whether it be by contract, note and deed of trust or otherwise, or, on a cash out basis whichever Sub-Lessor specifies. If Sub-Lessee is unable to meet the requirements of the method of payment, whether it be by installment method or basis or on a cash-out basis, in that event, this option shall become null and void.

Sub-Lessor agrees to exercise their right and option to purchase the demised premises from Lessor pursuant to the Lease attached hereto as Exhibit "A", provided that Sub-Lessee, Roger Grove, and ~~Virgil Chester Grove and Lucille Grove, husband and wife~~, or Sub-Lessee Velma Simpkins and Leonard Simpkins, husband and wife, or both the Groves and the Simpkins agree to purchase the premises which are the subject of the lease attached as Exhibit "A" herein. It is the intention of the parties hereto that Sub-Lessor shall not be required to purchase the premises which are the subject of the lease unless the premises will be purchased by Sub-Lessee Groves or Simpkins or by both Groves and Simpkins as their interests are defined herein.

Sub-Lessee Groves shall only have the right to purchase the entire demised premises described in Exhibit "A" if Sub-Lessee Simpkins fail or refuse to exercise their option to purchase those premises described in Exhibit "A" which are not the subject of this Sub-Lease.

Sub-Lessee agrees to pay Sub-Lessor for all expenses incurred by Sub-Lessor, including reasonable attorneys fees, in the exercise of Sub-Lessor's option to purchase and the subsequent sale of the premises to Sub-Lessee, provided, however, that in the event that both Sub-Lessee Groves and Simpkins purchase their respective demised premises from Sub-Lessor, Sub-Lessee Groves agrees to pay to Sub-Lessor one-half of all expenses incurred by Sub-Lessor, including reasonable attorney's fees, in the exercise of Sub-Lessor's option to purchase and the subsequent sale of the premises to Sub-Lessee.

Section 22.

Assignment of Option to Purchase

It is further agreed by the parties herein that this option to purchase shall inure only to the benefit of Sub-Lessee and shall not be assigned or transferred without the written consent of Sub-Lessor which consent shall not be unreasonably withheld.

Section 23.

Sale of Business

This lease is conditioned upon the fulfillment of the terms and conditions of the sale of the business known as the Skamania General Store to Sub-Lessee by Sub-Lessor. Sub-Lessee's failure to fully comply with all of the terms and conditions of the sale of the Skamania General Store shall constitute a default of this lease. A copy of the sale agreement for the sale of said business shall be attached hereto as Exhibit "D" and hereby fully incorporated herein.

If Sublessee Groves purchases the entire property by failure or refusal of the Simpkins to exercise their option to purchase, then the price of the property to Sublessee shall be on the same terms & conditions which Sublessee purchases the property. The parties acknowledge that the base price as set forth in such lease is \$167,000.00.

Section 24.

Non-Competition

Sub-Lessor agrees not to compete with Sub-Lessee in any manner within ten miles of the property which is the subject of this lease for a period of two years from the date of this lease.

Section 25.

Notice

All notices, demands and requests to be given by either party to the other shall be in writing. All notice, demands and requests by Sub-Lessor to Sub-Lessee shall be sent by United States registered or certified mail, postage prepaid, addressed to Sub-Lessee at MP 2.14L Duncan Creek Rd., Skamania, WA 98648, or at such other place as Sub-Lessee may from time to time designate by notice to Sub-Lessor. All notices, demands, and requests by Sub-Lessee to the Sub-Lessor shall be sent by United States registered or certified mail, postage prepaid, addressed to Sub-Lessor at MP 68 Skamania Landing Rd., Skamania, WA 98648, or at such other place as Sub-Lessor may from time to time designate by notice to Sub-Lessee. Notice, demands, and requests served upon Sub-Lessor or Sub-Lessee as provided in this Section in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand, or request shall be so mailed in a United States post office.

Section 26.

Warranty of Leasehold Interest

Sub-Lessor hereby warranties to Sub-Lessee that Sub-Lessor is in possession of the demised premises as Lessee under the Lease attached hereto as Exhibit "A" and that Sub-Lessor has full power and authority to sub-lease said premises to Sub-Lessee by virtue of said interest and the written consent of the Lessors, a copy of which is attached hereto as Exhibit "B" and incorporated herein as if fully set forth. Sub-Lessor agrees to indemnify Sub-Lessee for losses which may be incurred by Sub-Lessee in the event and as a direct result of Sub-Lessor's failure to provide Sub-Lessee with a leasehold interest in the demised premises. Nothing in this paragraph shall be construed to expand the rights of Sub-Lessee with respect to the remaining terms and conditions of this Lease, or the option to purchase provided thereunder.

IN WITNESS WHEREOF, the parties have executed this Sub-Lease at Vacouver, Washington, the day and year first above written.

SUB-LESSORS:

Alvis Wayne White
ALVIS WAYNE WHITE

Jeannie White
JEANNIE WHITE

SUB-LESSEES:

Roger Grove
ROGER GROVE

Virgil Chester Grove
VIRGIL CHESTER GROVE

Lucille Grove
LUCILLE GROVE


and option to purchase
RWW

RWW
JW

STATE OF WASHINGTON)
) ss.
County of _____)

On this day personally appeared before me **ALVIS WAYNE WHITE** and **JEANNIE WHITE**, 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.

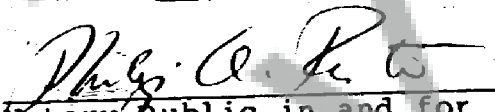
GIVEN under my hand and official seal this 30th day of July, 1986.


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

STATE OF WASHINGTON)
) ss.
County of _____)

On this day personally appeared before me **ROGER GROVE**, a single person, to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged 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 20th day of September, 1986.


Notary Public in and for
the State of Washington,
residing at Vancouver.
SEP 1-15 86

STATE OF WASHINGTON)
) ss.
County of _____)

On this day personally appeared before me **VIRGIL CHESTER GROVE** and **LUCILLE GROVE**, 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 _____ day of _____, 1986.

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