

THIS LEASE made this 18th day of February, 1987, by and between (Names & Addresses):
Mutual Mortgage & Investment Co., 2005 Broadway Vancouver, WA 98663, (hereinafter called Lessor),
 and
JODAP, Inc. 62 S.W. Russell St., Stevenson, Wa. 98648, (hereinafter called Lessee):

WITNESSETH:

1. **PREMISES:** Lessor does hereby lease to Lessee, those certain premises commonly known as The Back Bar located at 62 S.W. Russell, Stevenson, WA described as: The South 21 feet of Lot 19 of Block 6 of the Town of Stevenson, according to the official plat thereof on file and of record at page 11 of Book A of Plate, records of Skamania county, Washington.

~~as shown on Exhibit B attached hereto, (hereinafter called "premises"), being situated upon land described in Exhibit A attached hereto.~~

2. **TERM:** The term of this Lease shall be for a period equal to sale of business or until lessee buys commencing the 1st day premises of March, 1987, and shall terminate on the _____ day of _____, 19____. see Exhibit A

3. **RENT:** Lessee covenants and agrees to pay Lessor, at the offices of Lessor, Mutual Mortgage & Investment Co., Inc., 2005 Broadway Vancouver, WA 98663 or to such other party or at such other place as Lessor may hereafter designate, monthly rent in the amount of Three Hundred and NO/100-----Dollars (\$ 300.00).

in advance, on the 1st day of each month of the lease term. Lessor hereby acknowledges receipt of Two Hundred and Fifty and NO/100-----Dollars (\$ 250.00). see Exhibit A

for the first and _____ month rent. If Lessee is in possession of the premises for a portion of a month, the monthly rent shall be prorated for the number of days of Lessee's possession during that month. Any rental payments received eleven or more days after the beginning date of each rental period will be subject to a service charge of \$ 25.00. Lessee has deposited the sum of \$ 0-----Dollars (\$ 0-----), receipt of which is hereby acknowledged, which sum is security for Lessee's full performance of the obligations hereunder and those pursuant to Chapter 59 Revised Code of Washington, or as such may be subsequently amended.

4. **UTILITIES AND FEES:** Lessee agrees to pay all charges for light, heat, water, sewer, garbage, drainage, metro and all other utilities and services to the premises during the full term of this lease. Above items, if any, included in the rent payment are none.

All other items including all license fees and other governmental charges levied on the operation of Lessee's business on the premises will be paid directly by Lessee. In the event the leased premises are a part of a building or larger premises to which such charges are charged as a whole, with the consent of the Lessor, then Lessee agrees to pay, upon demand, a proper and fair share of said charges.

5. **TAXES:** In addition to the rent provided in paragraph 3, Lessee agrees to pay any increase over base year 19____ in the portion of the real estate taxes and assessments applicable to the premises which are due and payable during the term of this Lease or any extension hereof. Lessee shall pay its portion of the increase of the taxes on the building equal to the percentage of the total net rentable area in the building leased to Lessee, plus the portion of the taxes applicable to the land described in Exhibit A which is equal to the ratio of the square feet of the premises to the total square feet of net rentable area of buildings on said land.

Lessor shall submit to Lessee a copy of the actual statements received from the taxing authority as they become due and shall invoice Lessee for its portion according to the provisions of this paragraph. Lessee shall pay such invoice within fifteen (15) days.

If the term of this Lease commences and terminates on dates other than January 1 and December 31, respectively, taxes payable shall be prorated in the first and last calendar years of the term of the Lease.

Should there presently be in effect or should there be enacted during the term of this Lease any law, statute or ordinance levying any tax (other than Federal or State income taxes) upon rents, Lessee shall pay such tax or shall reimburse Lessor on demand for any such taxes paid by Lessor.

6. **COMMON AREAS:** If the premises are part of a building occupied by other tenants, Lessee agrees to conform to Lessor's rules and regulations pertaining to the parts of the building that are in common use by tenants.

7. **REPAIRS AND MAINTENANCE:** Premises have been inspected and are accepted by Lessee in their present condition. Lessee shall, at its own expense and at all times, keep the premises neat, clean and in a sanitary condition, and keep and use the premises in accordance with applicable laws, ordinances, rules, regulations and requirements of governmental authorities. Lessee shall permit no waste, damage or injury to the premises; keep all drain pipes free and open; protect water, heating, gas and other pipes to prevent freezing or clogging; repair all leaks and damage caused by leaks; replace all glass in windows and doors of the premises which may become cracked or broken; and remove ice and snow from sidewalks adjoining the premises. Except for the roof, exterior walls and foundation, which are the responsibility of the Lessor, Lessee shall make such repairs as necessary to maintain the premises in as good condition as they now are, reasonable use and wear and damage by fire and other casualty excepted.

8. SIGNS: All signs or symbols placed by Lessee in the windows and doors of the premises, or upon any exterior part of the building, shall be subject to Lessor's prior written approval. Lessor may demand the removal of signs which are not so approved, and Lessee's failure to comply with said request within forty-eight (48) hours will constitute a breach of this paragraph and will entitle Lessor to terminate this Lease or, in lieu thereof, to cause the sign to be removed and the building repaired at the sole expense of the Lessee. At the termination of this Lease, Lessee will remove all signs placed by it upon the premises, and will repair any damage caused by such removal. All signs must comply with sign ordinances and be placed in accordance with required permits.

9. ALTERATIONS: After prior written consent of Lessor, Lessee may make alterations, additions and improvements in said premises, at Lessee's sole cost and expense. In the performance of such work, Lessee agrees to comply with all laws, ordinances, rules and regulations of any proper public authority, and to save Lessor harmless from damage, loss or expense. Upon termination of this Lease and upon Lessor's request, or Lessor's approval, Lessee shall remove such improvements and restore the premises to its original condition not later than the termination date, at Lessee's sole cost and expense. Any improvements not so removed shall be removed at Lessee's expense provided that Lessee shall pay for any damage caused by such removal.

10. CONDEMNATION: In the event a substantial part of the premises is taken or damaged by the right of eminent domain, or purchased by the condemnor, in lieu thereof, so as to render the remaining premises economically untenable, then this Lease shall be cancelled as of the time of taking at the option of either party. In the event of a partial taking which does not render the premises economically untenable, the rent shall be reduced in direct proportion to the leased property taken. Lessee shall have no claim to any portion of the compensation for the taking or damaging of the land or building. Nothing herein contained shall prevent the Lessee from his entitlement to negotiate for his own moving costs and his leasehold improvements.

11. PARKING: Lessee understands that parking is apportioned in conformity with controlling zoning ordinances and that Lessor shall have the right to make such regulations as Lessor deems desirable for the control of parking automobiles on the real property described in Exhibit "A" or property under Lessor's control, including the right to designate certain areas for parking of the Lessee, employees of Lessee, his customers and other Lessees of said buildings.

12. LIENS AND INSOLVENCY: Lessee shall keep the premises free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by Lessee and shall hold Lessor harmless against the same. In the event Lessee becomes insolvent, bankrupt, or if a receiver, assignee or other liquidating officer is appointed for the business of Lessee, Lessor may cancel this Lease at its option.

13. SUBLETTING OR ASSIGNMENT: Lessee shall not sublet the whole or any part of the premises, nor assign this Lease without the written consent of Lessor, which will not be unreasonably withheld. This Lease shall not be assignable by operation of law.

14. ACCESS: Lessor shall have the right to enter the premises at all reasonable times for the purpose of inspection or of making repairs, additions or alterations, and to show the premises to prospective tenants for sixty (60) days prior to the expiration of the Lease term.

15. POSSESSION: If for any reason Lessor is unable to deliver possession of the premises at the commencement of the term of the Lease, Lessee may give Lessor written notice of its intention to cancel this Lease if possession is not delivered within thirty (30) days after receipt of such notice by Lessor. Lessor shall not be liable for any damages caused by delay, and Lessee shall not be liable for any rent until such times as Lessor delivers possession. A delay of possession shall not extend the term or the termination date. If Lessor offers possession of the premises prior to the commencement date of the term of this Lease, and if Lessee accepts such early possession, then both parties shall be bound by all of the covenants and terms contained herein, including the payment of rent during such period of early possession.

16. DAMAGE OR DESTRUCTION: In the event the premises are rendered untenable in whole or in part by fire, the elements, or other casualty, Lessor may elect, at its option, not to restore or rebuild the premises and shall so notify Lessee, in which event Lessee shall vacate the premises and this Lease shall be terminated; or, in the alternative, Lessor shall notify Lessee, within thirty (30) days after the notice of such casualty, that Lessor will undertake to rebuild or restore the premises, and that such work can be completed within one hundred eighty (180) days from date of such notice of intent, and Lessee may elect, at its option, to terminate this lease. If Lessor is unable to restore or rebuild the premises within the said one hundred eighty (180) days, and Lessee did not earlier elect to terminate, then the Lease may be terminated at Lessee's option by written ten (10) day notice to Lessor. During the period of untenability, rent shall abate in the same ratio as the portion of the premises rendered untenable bears to the whole of the premises.

17. ACCIDENTS AND LIABILITY: Lessor or its agent shall not be liable for, and Lessee agrees to defend and hold Lessor and its agents harmless from, any claim, action and/or judgment for damages to property or injury to persons suffered or alleged to be suffered on the premises by any person, firm or corporation, unless caused by Lessor's negligence.

Lessee agrees to maintain public liability insurance on the premises in the minimum limit of \$25,000 for property damage and in the minimum of \$100,000/\$300,000 for bodily injuries and death, and shall name Lessor as an additional insured. Lessee shall furnish Lessor a certificate indicating that the insurance policy is in full force and effect, the Lessor has been named as an additional insured, and that the policy may not be cancelled unless ten (10) days prior written notice of the proposed cancellation has been given to Lessor.

18. SUBROGATION WAIVER: Lessor and Lessee, each herewith and hereby releases and relieves the other and waives its entire right of recovery against the other for loss or damage arising out of or incident to the perils described in standard fire insurance policies and all perils described in the "Extended Coverage" insurance endorsement approved for use in the state where the premises are located, which occurs in, on or about the Premises, unless due to the negligence of either party, their agents, employees or otherwise.

19. DEFAULT AND RE-ENTRY: If Lessee shall fail to keep and perform any of the covenants and agreements herein contained, other than the payment of rent, and such failure continues for thirty (30) days after written notice from Lessor, unless appropriate action has been taken by Lessee in good faith to cure such failure, Lessor may terminate this Lease and re-enter the premises, or Lessor may, without terminating this Lease, re-enter said premises, and sublet the whole or any part thereof for the account of the Lessee upon as favorable terms and conditions as the market will allow, for the balance of the term of this Lease and Lessee covenants and agrees to pay to Lessor any deficiency arising from a re-letting of the premises at a lesser amount than herein agreed to. Lessee shall pay such deficiency each month as the amount thereof is ascertained by Lessor. However, the ability of Lessor to re-enter and sublet shall not impose upon Lessor the obligation to do so.

20. REMOVAL OF PROPERTY: In the event Lessor lawfully re-enters the premises as provided herein, Lessor shall have the right, but not the obligation, to remove all the personal property located therein and to place such property in storage at the expense and risk of Lessee.

21. COSTS AND ATTORNEY'S FEES: If, by reason of any default or breach on the part of either party in the performance of any of the provisions of this Lease, a legal action is instituted, the losing party agrees to pay all reasonable costs and attorney's fees in connection therewith. It is agreed that the venue of any legal action brought under the terms of this Lease may be in the county in which the premises are situated.

22. **SUBORDINATION:** Lessee agrees that this Lease shall be subordinate to any mortgage or deeds of trust, placed on the property described in Exhibit A, provided that in the event of foreclosure if Lessee is not then in default and agrees to return to the mortgagee or beneficiary under deed of trust, such mortgagee or beneficiary shall recognize Lessee's right of possession for the term of this Lease.

23. **NO WAIVER OF COVENANTS:** Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future similar breach. This Lease contains all the agreements between the parties; and there shall be no modification of the agreements contained herein except by written instrument.

24. **SURRENDER OF PREMISES:** Lessee agrees, upon termination of this Lease, to peacefully quit and surrender the premises without notice, leave the premises neat and clean and to deliver all keys to the premises to Lessor.

25. **HOLDING OVER:** If Lessee, with the implied or express consent of Lessor, shall hold over after the expiration of the term of this Lease, Lessee shall remain bound by all the covenants and agreements herein, except that the tenancy shall be from month to month.

26. **BINDING ON HEIRS, SUCCESSORS AND ASSIGNS:** The covenants and agreements of this Lease shall be binding upon the heirs, executors, administrators, successors and assigns of both parties hereto, except as hereinabove provided.

27. **USE:** Lessee shall use the premises for the purposes of a tavern

and for no other purposes, without written consent of Lessor. In the event Lessee's use of the premises increases the fire and extended coverage or liability insurance rates on the building of which the premises are a part, Lessee agrees to pay for such increase.

28. **NOTICE:** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to the Lessor at 2005 Broadway Vancouver, WA 98663

or to the Lessee at 62 S.W. Russell St. Stevenson, Wa. 98648
or at such other address as either party may designate to the other in writing from time to time.

29. **RIDERS:** Riders, if any, attached hereto, are made apart of this lease by reference and are described as:
Exhibit A future sale
Exhibit B fixtures included in lease

30. **TIME IS OF THE ESSENCE OF THIS LEASE.**

31. If Lessee is a corporation, each individual executing this Lease on behalf of said corporation represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of said corporation in accordance with a duly adopted resolution of the Board of Directors of said corporation or in accordance with the By-Laws of said corporation, and that this Lease is binding upon said corporation in accordance with its terms. If Lessee is a corporation Lessee shall, within thirty (30) days after execution of this Lease, deliver to Lessor a certified copy of a resolution of the Board of Directors of said corporation authorizing or ratifying the execution of this Lease.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the date first above written.

LESSOR: Mutual Mortgage & Investment Co. LESSEE(S): JODAR, Inc.

By: Leonard L. Bortheau
Leonard L. Bortheau

By: Doris M. Lunceford Pres
By: Richard A. Lunceford Vice Pres

STATE OF WASHINGTON } ss.
COUNTY OF Skamania

On this day personally appeared before me

Doris

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 , 19

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

STATE OF WASHINGTON } ss.
COUNTY OF

FILED FOR RECORD
SKAMANIA CO. WASH
BY Richard A. Lunceford

FEB 25 1 58 PM '87

AUDITOR
GARY M. OLSON

GIVEN under my hand and official seal this

RECORDER'S NOTE: NOTARIAL SEAL
NOT AFFIXED

Notary, residing at

STATE OF WASHINGTON } ss.
COUNTY OF Skamania

On this 18th day of February, 1987, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

and DORIS M. LUNCEFORD
RICHARD A. LUNCEFORD
to me known to be the President and VICE PRESIDENT respectively of JODAR, INC.

the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that They authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Lorinda L. Southard
Notary Public in and for the State of Washington,
residing at North Bonneville, WA.

STATE OF WASHINGTON } ss.
COUNTY OF Skamania

On this 18th day of February, 1987, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared

LEONARD L. BERTHEAU
and Mutual Mortgage & Investment Co.
to me known to be the President and Secretary respectively of Mutual Mortgage & Investment Co. the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that He authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Lorinda L. Southard
Notary Public in and for the State of Washington,
residing at North Bonneville, WA.

Exhibit A

Lessee may purchase real property described as:

The South 21 feet of Lot 19 of Block 6 of the Town of Stevenson, according to the official plat thereof on file and of record at page 11 of Book A of Plats, records of Skamania county, Washington.

and fixtures described in Exhibit B, for a total purchase price of THIRTY TWO THOUSAND and NO/100 DOLLARS (\$32,000.00). THREE THOUSAND TWO HUNDRED and NO/100 DOLLARS (\$3,200.00) cash down at time of closing. Also 1/2 of the monthly rent paid in the first year of lease shall be applied to purchase price.

The then remaining balance will be paid on a Note with payments of \$600.00 or more per month and interest charged on the diminishing balance of 10% per annum. The Note to be secured by a Deed of Trust.

EXHIBIT B

BACK BAR & MIRRORS
BAR & STOOLS (13)
ICE MACHINE
CASH REGISTER
REACH-IN COOLER
MICROWAVE OVEN
SONY BIG SCREEN T.V.
UPRIGHT FREEZER
CHAIRS (40)
TABLES (12)
ELECTRIC GRILL
AIR CONDITIONER
GLASSWARE
HAND TRUCK
COMPRESSORS (3)
TELEPHONE
SMALL ELECTRIC HEATER