

LEASE WITH OPTION TO PURCHASE

LEASE WITH OPTION TO PURCHASE, dated as of the 15th day of June, 1987, made by and between MICHAEL J. SOUTHARD and LORINDA L. SOUTHARD, husband and wife, (herein called "Lessor") and JOSEPH M. OGLE and PATTI L. OGLE, husband and wife, (herein called "Lessee").

WITNESSETH

1. Premises. Lessor hereby leases to Lessee, upon the terms and conditions herein set forth, that certain real property, together with all improvements thereon (herein called "the Premises"), situated in the City of North Bonneville, Skamania County, Washington, legally described as follows:

That portion of the S. M. Hamilton Donation Land Claim in Section Twenty (20), Township Two (2) North, Range 7 East of the Willamette Meridian, described as follows:

Beginning at the intersection of the Northerly shore of Greenleaf Slough with the Easterly line of the said Hamilton Donation Land Claim; thence South 17 degrees 30 minutes East along the Easterly line of said Donation Land Claim to the Northerly right of way line of Primary State Highway No. 8; thence Westerly along the Northerly line of said Highway 240 feet; thence North 17 degrees 30 minutes West parallel to the Easterly line of said Donation Land Claim to a point on the Northwestern shore of said Greenleaf Slough; thence Northeasterly along the Northwestern shore of said Greenleaf Slough to the point of beginning.

2. Inspection. Lessee is leasing the Premises "as is" and makes no representations or warranties except as to title as set forth herein. Without limiting the generality of the foregoing, Lessee acknowledges that they have made their own independent investigation respecting the Premises and will be relying entirely thereon and on the advice of any consultant they may retain. Lessee may not rely upon any representation of any party whether or not such party purports to act on behalf of Lessor, unless the representation is expressly set forth therein or in a subsequent document executed by Lessor. All representations, warranties, understandings, and agreements between Lessee and Lessor are merged herein and shall not survive closing.

3. Use of Premises. The 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 by Lessee, at any time during the term of this lease for the purpose of carrying on any business, profession or trade, or for any purpose other than as a private, single-family residence, without the prior written consent of Lessor. Lessee shall not allow use of the premises for any illegal purpose and shall comply with all laws, ordinances, rules, orders and regulations or requirements of appropriate governmental authorities affecting sanitation, safety, occupancy, maintenance and preservation of the Premises.

11396

REAL ESTATE EXCISE TAX

JUN 16 1987

PAID Exempt

Van R. Wynne, Deputy
SKAMANIA COUNTY TREASURER

FILED FOR RECORD
SKAMANIA CO. WASH.
BY JAN C. KIELPINSKI

JUN 15 4 55 PM '87
GARY M. OLSON
AUDITOR

Transaction in compliance with County subdivision ordinance.
Skamania County Assessor - By: DM 2-7-20-700

4. Term. This lease shall commence July 1, 1987 and end June 30, 1988, on a month-to-month basis in accordance with and subject to the terms and conditions set out in this Lease with Option to Purchase.

5. Rental. The parties hereto agree that the monthly rental charge for the Premises will be \$400.00 per month, payable on or before the 1st day of July, 1987, and the 1st day of each succeeding month thereafter over the term of this lease. Lessee further agrees to pay to Lessor, on or before July 1, 1987 the additional sum of \$400.00, to be credited to Lessee in payment of the last month's rent payable hereunder.

6. Timber. Lessee shall not be entitled to cut or remove any timber from the property. If any timber is cut or removed, all proceeds of sale shall be paid directly to Lessor.

7. Option to Purchase. Lessor shall, upon receipt of a written notice from Lessee on or after the date hereof but prior to April 1, 1988, stating that Lessee elects to purchase the Premises pursuant to the provisions hereof, convey the Premises to Lessee, providing Lessee shall have duly and punctually fulfilled all of their obligations under this Lease and subject to the following conditions:

a. The purchase price for the Premises shall be Sixty-Eight Thousand and No/100 Dollars (\$68,000.00) to be paid in cash to Lessor no later than June 30, 1988.

b. Lessee shall pay to Lessor One Thousand Two Hundred and No/100 (\$1,200.00) cash for the option to purchase the Premises. Execution by Lessor of this Lease with Option to Purchase shall constitute acknowledgement of Lessor's receipt of the sum of \$600.00 cash in partial payment for the option granted herein. Lessee shall pay to Lessor an additional \$600.00 on or before January 1, 1988 for the option granted herein. Said \$1,200.00 shall be considered a non-refundable downpayment on the purchase price of \$68,000.00.

c. If Lessee shall fail for any reason to exercise the right and privilege to purchase the Premises in the manner herein provided, Lessor shall retain the value of all improvements made to the Premises by Lessee pursuant to the provisions of Section 5 of this Lease with Option to Purchase as liquidated damages, and Lessee shall have no right to receive back any part thereof.

d. 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 Lessee/Purchaser to the full amount of the purchase price against loss or damage by reason of defect in sellers' title to said real estate as of the date of closing, and containing no exceptions other than the following:

(1) Printed general exceptions appearing in said policy form;

(2) 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

(3) Easements of record.

e. Conveyance of title to the Premises shall be by good and sufficient warranty deed.

f. It is understood by the parties herein that there is presently a 1980 14' x 66' Fleetwood Wingate mobile home, Serial No. 0574, located on the demised premises. It is further understood that said mobile home is not part of the consideration under this Lease and will not be included in the sale of the premises. The owners of the mobile home are Marvin Hansen and Karen Hansen, husband and wife. Said mobile home shall be removed from the Premises no later than February 20, 1988.

g. Lessee shall be responsible for making any necessary repairs to the premises which are required to finance the purchase of the premises.

8. Utilities and Other Services by Lessee. Lessee shall, at Lessee's sole expense, provide all utilities and other services to the Premises and shall be responsible for payment of the same as they become due.

9. Maintenance by Lessee. Lessee shall maintain in good condition the structural, exterior and interior components of the Premises. Lessee shall also maintain in good condition and repair all windows, plumbing and the electrical system. Lessor shall not be obligated to repair or replace any fixtures or equipment installed by Lessee and Lessor shall not be obligated to make any repair or replacements of any kind whatsoever during the term of this Lease.

Lessee shall keep the Premises in a neat, clean and sanitary condition, and shall keep the Premises and all items therein installed by Lessee in at least as good condition as received, except only for reasonable wear and tear and damage caused other than by any act or omission by Lessee, their employees, agents, invitees or licensees.

10. Lessor's Access to Premises. Lessor may inspect the Premises at all reasonable times.

11. Restoration of Premises. In the event fire or other casualty causes damage to the Premises during the Lease term, Lessor shall not be required to restore the damaged building for the remainder of Lease term.

12. Assignment and Subletting. Neither this lease nor any right hereunder may be assigned, transferred, encumbered or sublet in whole or in part by Lessee, by operation of law or otherwise.

13. Indemnity by Lessee. Lessee agrees that Lessor shall not be liable for any claims for death of or injury to persons or damages to or destruction of property sustained by Lessee or by any other person in the Premises, 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. Lessee hereby waives all claims therefor and agrees to indemnify Lessor against any such loss, damage or liability or any expense incurred by Lessor in connection therewith.

14. Default; Remedies. The occurrence of any of the following events shall be deemed a breach of this lease, namely: if Lessee shall make an assignment for the benefit of creditors or shall file a voluntary petition under any bankruptcy act or under

any other law for the relief of debtors; or if an involuntary petition is filed against Lessee under any such law and is not dismissed within sixty days after filing; or if a receiver be appointed for the property of Lessee and is not discharged or removed within sixty days; or if any department of any government or any officer thereof shall take possession of the business or property of Lessee; or if the Lessee is adjudicated a bankrupt. Upon any such occurrence Lessor, at their option, may terminate this lease by notice to Lessee and upon such termination Lessee shall quit and surrender the Premises to Lessor.

If Lessee shall default in performance of any of Lessee's obligations under this lease or shall violate any term or provision of this lease, or if the Premises shall be left vacant or unoccupied for a period of ten days, Lessor may, upon giving Lessee any notice required by law, terminate this lease and upon such termination Lessee shall quit and surrender the Premises to Lessor.

If the demised premises, or any part thereof, shall be deserted or become vacant during the term of this lease, or if any default is made in the performance of any of the covenants herein contained, Lessor or their representatives may re-enter the premises by summary or other proceedings and remove all persons therefrom, without being liable to prosecution therefor. Lessor may on re-entry rent the premises, reserving the right to rent them for a longer period of time than that fixed in the original lease, without releasing the original tenant from liability, applying any sums collected, first to the expense of resuming or obtaining possession, second to restoring the premises to a rentable condition, and finally to the payment of the charges due and to become due to Lessor, any surplus to be paid to Lessee, who shall remain liable for any deficiency.

15. Property Remaining After Expiration or Termination. Any property left in or upon the Premises after the expiration or sooner termination of this lease shall be deemed to have been abandoned by Lessee and become the property of Lessor to dispose of as Lessor deems expedient without accounting to Lessee therefor.

16. Notices. All notices, demands and requests to be given by either party to the other shall be in writing. All notices, demands and requests by Lessor to Lessee shall be sent by United States registered or certified mail, postage prepaid, addressed to Lessee at P.O. Box 191, Stevenson, Washington 98648, or at such other place as Lessee may from time to time designate by notice to Lessor. All notices, demands, and requests by Lessee to the Lessor shall be sent by United States registered or certified mail, postage prepaid, addressed to Lessor c/o Thomas Land, PO Box 11, Purcell, MO. 64857, or at such other place as Lessor may from time to time designate by notice to Lessee. Notice, demands, and requests served upon Lessor or 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 the mails of the United States Postal Service.

17. Closing Costs and Fees.

a. Lessor shall pay the following costs and fees associated with the preparation of this Lease with Option to

Purchase and the closing at the time of sale of the demised premises as follows:

(1) One-half of the attorney's fees of \$250.00 at the time of signing of this Lease;

(2) One-half of the attorney's fees of \$250.00 at the time of closing;

(3) Title Insurance premium of \$394.83;

(4) Excise tax of \$911.20;

(5) 1988 pre-closing (or post-closing) Real property taxes prorated according to date of closing;

(6) All underlying obligations, liens or encumbrances on the demised premises.

(7) Lessor shall not be responsible for any other closing costs or fees other than those specifically described herein.

b. Lessee shall pay the following costs and fees associated with the preparation of this Lease with Option to Purchase and the closing at the time of sale of the demised premises as follows:

(1) One-half of the attorney's fees of \$250.00 at the time of signing of this Lease;

(2) One-half of the attorney's fees of \$250.00 at the time of closing;

(3) Recording fees;

(4) 1988 pre-closing (or post-closing) Real property taxes prorated according to date of closing.

(5) Lessee shall be responsible for all fees and costs associated with financing obtained for the purchase of the demised premises.

18. Miscellaneous.

a. **Non-Waiver.** No failure of Lessor to insist upon the strict performance of any provision of this lease shall be construed as depriving Lessor of the right to insist on strict performance of such provision or any other provision in the future. No waiver by Lessor of any provision of this lease shall be deemed to have been made unless expressed in writing and signed by Lessor. No acceptance of any value added to the Building by Lessor from Lessee after any default by Lessee shall constitute a waiver of any such default or any other default. Consent by Lessor in any one instance shall not dispense with necessity of consent by Lessor in any other instance.

b. **Attorney's 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.

c. Entire Agreement. This document contains the entire and integrated agreement of the parties and may not be modified except in writing signed and acknowledged by both parties.

d. Remedies Cumulative. The specified remedies to which Lessor may resort under the terms of this lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may lawfully be entitled in case of any breach or threatened breach by Lessee of any provision of this lease.

e. Time. Time is of the essence of this lease.

f. Conflict of Provisions. In case of conflict, the more specific provision of this lease shall control.

g. Binding Effect. This agreement shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors and assigns.

EXECUTED as of the date first above written.

LESSOR:

Michael J. Southard
MICHAEL J. SOUTHARD

Lorinda L. Southard
LORINDA L. SOUTHARD

LESSEE:

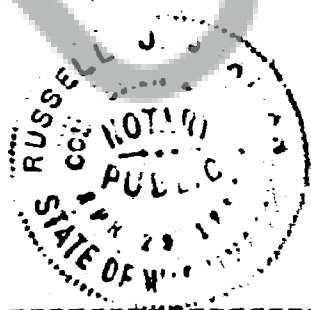
Joseph M. Ogle
JOSEPH M. OGLE

Patti L. Ogle
PATTI L. OGLE

STATE OF WASHINGTON)
) SS.
County of Skamania)

On this day personally appeared before me MICHAEL J. SOUTHARD and LORINDA L. SOUTHARD, 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 15th day of June, 1987.



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

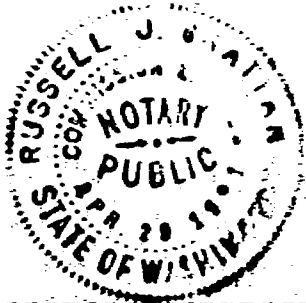
My commission
expires: April 29, 1991

STATE OF WASHINGTON)
) SS.
County of Skamania)

On this day personally appeared before me JOSEPH M. OGLE and PATTI L. OGLE, 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 15th day of June, 1987.



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

My commission
expires: April 29 1991

Unofficial Copy