

## L E A S E

THIS INDENTURE, made this 30th day of August, 1973, by and between FRED L. CLCE and PEGGY CLOE, husband and wife, hereinafter called the "lessors" and RAY L. COCHRAN and JOHN W. COCHRAN, jointly and severally, hereinafter called the "lessees",

WITNESSETH: The lessors do hereby lease to the lessees, the following described real estate with the appurtenances, situate in the County of Skamania, State of Washington, to-wit:

Lot 16 of Block Six of RIVERVIEW ADDITION TO THE TOWN OF STEVENSON according to the official plat thereof on file and of record in the office of the Auditor of Skamania County, Washington; and

Beginning at the northeasterly corner of Lot 16 aforesaid; thence north  $55^{\circ} 30'$  east 40 feet; thence north  $34^{\circ} 30'$  west 118 feet to the southerly right of way line of Second Street; thence in a northeasterly direction following the southerly right of way line of Second Street to intersection with the center of the channel of Kanaka Creek; thence in a southerly direction following the center of the channel of Kanaka Creek to the northerly right of way line acquired by the Spokane, Portland and Seattle Railway Company; thence in a southwesterly direction following the northerly line of said railroad right of way to a point south  $34^{\circ} 30'$  east from the point of beginning; thence north  $34^{\circ} 30'$  west to the point of beginning;

EXCEPTING therefrom those portions of the above described property described on Schedule "A" which is attached hereto and hereby incorporated by reference. Said excluded parcels consisting of parcel A, an unimproved tract of ground on the southerly portion of the above described property, and parcel B, being a tract of ground on the northeasterly portion of the above described tract with an existing concrete slab. Both parcels being more particularly described on Schedule "A" referred to above.

As to parcels A and B above the lessees specifically understand and agree that the lessors intend to use said parcels at some future date, and neither parcel is contemplated to be the subject matter of this lease, nor have they been considered in determining the reserved monthly rental.

The term of this lease shall be for five (5) years from the 30th day of August, 1973, to the 30th day of August, 1978, at a monthly rental of \$350.00, payable in advance on the 10th day of each and every month during the term of this lease. PROVIDED, HOWEVER, that

the lessees shall have the option to renew this lease at the expiration of its' term for an additional 5-year period, <sup>at the rate of 3% p.a.</sup> ~~at the rate of 3% p.a.~~ rental price plus any amount for increased taxes and increased insurance premiums over those for the average of the 1973-78 lease period.

The lessors covenant that during any period that this lease is in effect the lessees shall have the right of first refusal to purchase the land and buildings which are the subject matter of this lease at the price and upon such terms and conditions as the lessors are offering said property for sale, in the following manner:

1. The seller shall give written notice to buyer stating the name of the prospective purchaser and the price and terms of the proposed sale.

2. That within 20 days after receipt of notice of the proposed sale, the buyer may elect to purchase the property under terms equally or more favorable to seller by so advising the seller in writing. The price must equal the net return to the seller under the proposed sale after adjustment for differences, namely, in real estate commission and costs of closing, payable in the event of the proposed sale as opposed to sale to buyer.

3. If buyer elects to purchase, the sale shall be closed on the date specified by buyer in the notice of election and not less than ten nor more than thirty days after the notice, or, at seller's election, on the date, if any, specified as a condition of the original sale as stated in the notice of the proposed sale.

4. If buyer does not elect to purchase, seller may, at any time within one hundred twenty (120) days thereafter sell to the named prospective purchaser at the price and on the terms stated in the notice of the proposed sale.

This lease is entered into in conjunction with a bulk sale by the lessors to the lessees of the inventory, fixtures and equipment of the business known as Columbia Loggers and is subject to the consummation of said sale, and any breach of any contract pursuant to said sale by lessees shall be a breach of the terms of this lease

and grounds for the lessors to terminate this lease, and all the terms and conditions of that certain contract dated the 20th day of August, 1973, by and between the lessors, as sellers, and lessees, as purchasers, <sup>not from Re & Co. Inc. V.C.</sup> are specifically referred to herein and hereby incorporated by reference.

The lessees accept said premises in their present condition, and hereby covenant and agree to keep said premises in good repair, and further agree to make all necessary repairs, additions, improvements or alterations of whatsoever nature to said premises, including breakage of glass, and at its own cost and expense to keep all drainage pipes free and open and to protect water, heating, gas and other pipes so that they will not freeze or become clogged, and to repair all leaks to the same and damages caused by leaks or by reason of lessees' failure to protect and keep free, open and unfrozen any of the pipes and plumbing on the premises. Lessees further agree to deliver up said premises without notice at the expiration of this lease in as good condition as they are now in, excepting the necessary wear and tear thereof and damage by the elements, or by fire, and further agree to deliver up all keys belonging to said premises to the said lessors, or said lessors' agents, at the expiration of this lease.

The said lessees hereby covenant and agree to pay all utility bills, including, but not limited to, lights, heat, water, and telephone as they come due for services rendered to or for them.

The lessees shall be responsible for fire and casualty insurance on the building and for all ~~property taxes levied by any state, county, or town~~ <sup>Re & Co. Inc. V.C.</sup> or assessments imposed <sup>to come due Re & Co. Inc. V.C.</sup> subsequent hereto.

The said lessees shall hold harmless the lessors and lessors' agents from all damages of every kind and nature whatsoever that may be claimed or accrue by reason of any accident in or about the leased premises or from the lessees' use or occupation of the leased premises and areas adjacent thereto or caused by the acts or neglect of the lessees or any agent of the lessees. It is agreed that neither

the lessors nor the lessors' agents shall be liable for the death of or injury to any person in or about the premises, or for loss of or damage to any property of the lessees, and the lessors shall not be liable to the lessees or to any person for claims arising from any defect in the construction or present condition of the premises, unless said defect has been called to the attention of the lessors and the lessors have had an opportunity to repair the same, or for damages by storms, rain or leakage.

The said lessees shall keep said leased premises clean and in a sanitary condition, and shall comply with each and all of the statutes of the State of Washington and ordinances of the Town of Stevenson now in force or hereafter enacted, and shall keep the sidewalks surrounding the same free and clear of ice, snow and any other obstructions, according to the ordinances of the said town.

It is hereby agreed that if the lessees become either insolvent or bankrupt, or if a receiver is appointed, that the lessors may cancel this lease at said lessors' option.

The lessees agree not to sublet the whole or any part of the premises nor to assign or in any way hypothecate this lease without the written consent of the lessors, and the lessors agree not to unreasonably withhold this consent if proposed tenants or sub-tenants or assignees are financially responsible.

That in case the said leased premises are destroyed or injured by fire, earthquake, or other casualty to an extent exceeding 40% of <sup>Current Market Value R.C.B.</sup> total destruction then the lessors may at said lessors' option proceed to rebuild and restore the said premises or such part thereof as may be injured as aforesaid, provided, that within thirty (30) days after such destruction or injury lessors shall in writing notify the lessees of lessors' intention so to do, and during the period of such rebuilding and restoration the rent shall be abated in the same ratio that that portion of the said leased premises rendered for the time being unfit for occupancy shall bear to the whole leased premises. If the said lessors shall fail to rebuild and restore the

said premises, and to notify the lessees thereof, as aforesaid, then this lease shall, at the expiration of the time for the giving of the notice above referred to, be deemed terminated and at an end, and all rights and liabilities by and between the parties shall thereupon cease.

The covenants and agreements of this lease shall be binding not only upon the said lessors and said lessees, but also upon their heirs, executors, administrators, successors and assigns.

The said lessors hereby reserve, and the said lessees hereby grant to the said lessors or lessors' agents, the right to enter said leased premises at all times for the purpose of making necessary repairs, when the lessees fail or refuse to make the same; but this right, or the grant of the same, shall not be construed as an agreement on the part of the said lessors to make any repairs whatsoever.

If the said lessees fail to keep and perform any of the covenants and agreements herein contained, then the said lessors may cancel this lease upon giving the notice required by law, and re-enter said premises, but notwithstanding such re-entry by the lessors the liability of the lessees for the rent provided for herein shall not be extinguished for the balance of the term of this lease and the lessees covenant and agree to make good to the lessors any deficiency arising from a re-entry and reletting of the premises at a lesser rental than herein agreed to. The lessees shall pay such deficiency each month as the amount thereof is ascertained by the lessors. In computing such deficiency the lessees shall be charged with the average monthly rental that the lessees have paid up to the time of default.

If, by reason of any default on the part of either party in the performance of any of the provisions of this lease, it becomes necessary for either party to initiate legal proceedings, the prevailing party shall be entitled to all costs, expenses and attorneys' fees expended or incurred by the prevailing party in connection therewith.

In the event of any entry in, or taking possession of, the demised premises as aforesaid, the lessors shall have the right, but not the obligation, to remove from the demised premises all personal property located therein and may place the same in storage at a public warehouse at the expense and risk of the owners thereof.

With regard to the maintenance of improvements on said property the lessees are specifically responsible for the maintenance of the inside of the building, and the lessors are specifically responsible for the maintenance of the outside of the building, including the roof, provided, that major electrical, heating, air conditioning, or plumbing repairs shall be the responsibility of the lessors.

In the event that the lessors, or either of them, within five (5) years from date, should either directly or indirectly, by employment, financing or otherwise, engage in a similar business or any business competitive to the business leased within Skamania County, that the lessees, in the event of such violation, would have the option of seeking an injunction against the violation thereof and ask for damages at law for the breach thereof.

The lessees shall have such other rights at law or equity as they may be given in addition to seeking the injunction and asking for damages as specified above.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

Fred L. Che

Ray L. Cochran  
LESSORS

Ray L. Cochran  
John W. Cochran  
LESSEES

STATE OF WASHINGTON )  
County of Skamania ) ss.

THIS IS TO CERTIFY, that on this 30th day of August, 1973, before me, the undersigned, a Notary Public in and for the State of Washington,

duly commissioned and sworn, personally came FRED L. CLOE and PEGGY CLOE, husband and wife, and RAY L. COCHRAN and JOHN W. COCHRAN, to me known to be the individuals described in and who executed the within instrument and acknowledged to me that they signed and sealed the same as their free and voluntary act and deed for the uses and purposes therein mentioned.

WITNESS my hand and official seal, the day and year in this certificate first above written.



Shirley A. Little  
Notary Public in and for the State  
of Washington, residing at Stevenson.

