

LEASE AGREEMENT

John A. Hope and Susan C. Hope, husband and wife,
hereinafter called Lessee and W.J. Seufert Land Company,
Inc., an Oregon Corporation, hereinafter called the Lessor
hereby agree as follows:

Whereas John A. Hope and Susan C. Hope currently reside
on the real property described below and owned by Lessor and
have resided on said real property since October 1974
pursuant to an agreement with Mr. William Dielschneider,
President of Lessor. The parties have prepared this written
lease agreement wherein the Lessor and the Lessee agree as
follows:

1. Lessor leases to Lessee, their successors or
assigns, the following described real property in Skamania
County, Washington:

Government lots 1,2,5,6,7 and 8; the west 660 feet of
the Jas. M. Findley D.L.C.; the northwest quarter of
northeast quarter; the northeast quarter of northwest
quarter; that portion of the northeast quarter of northeast
quarter lying southwesterly of the county road known and
designated as the Girl Scout Road, ALL in Section 36,
Township 3 North, Range 8, East, W.M., EXCEPT that portion
of said Government lot 8 described as follows: Beginning at
the northeast corner of said Government lot 8; thence south
along the east line thereof 840 feet to intersection with
the county road; thence northwesterly following said county
road to a point 885 feet west of the point of beginning;
thence east 885 feet to the point of beginning.



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Those portions of the southwest quarter of Section 25, Township 3 north, Range 8 east, W.M. described as follows: Beginning at the quarter corner on the south line of said Section 25; thence north 330 feet; thence west 1320 feet; thence south 330 feet; thence east 1320 feet to the point of beginning; EXCEPT the following described tract: Beginning at a point 110 feet north of the point of beginning located on the northerly line of the Rock Creek and Collins Road; thence north 220 feet; thence west 140 feet to intersection with the northerly line of said road; thence following the northerly line of said road in a southeasterly direction to the point of beginning.

Beginning at a point 330 feet north and 180 feet west of the quarter corner on the south line of said Section 25, said point being located on the southerly line of Rock Creek and Collins Road; thence west 1140 feet to a point on the southerly line of said road, thence in a northeasterly direction following the southerly line of said road 690 feet; thence in a southeasterly direction following the southerly line of said road 450 feet to the point of beginning, SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

2. The parties agree that the lease shall be for a period of twenty years, until October 1994, subject to the terms and conditions set forth in this agreement. In the event the lessee shall not be in default in the performance of any of the terms, provisions and conditions of this lease, the lessee shall have the right and privilege, at its election, to renew this lease for a further term of twenty years by giving the lessor written notice of its election to renew this lease any time after January 1, 1994 and before October 1, 1994. The renewal lease shall contain a provision that the lessee shall have the right and privilege

to renew the lease for a further term of twenty years but the second renewal lease shall not contain any provision for further renewal.

3. Lessee agrees to pay all real property taxes annually as they come due: the Lessor has the right to pay the real property taxes in the event the Lessee fails to do so and any sums paid by the Lessor for real property taxes shall be added to the amounts due from the Lessee to the Lessor on July 1 of each year.

4. Lessee will pay the sum of \$25 per month for the rental of residence located on the property and currently occupied by the Lessee, said sum to be due annually and payable to the Lessor on July 1 of each year.

5. Lessee agrees to pay 1/2 of 1% on \$16,000 per month a total sum of \$80 per month which sum represents interest on the Lessor's investment in the real property, said payments to be paid to the Lessor annually on July 1 of each year.

6. Lessee shall receive an offset against the annual payments to Lessor due on July 1, said offset to consist of credit for any and all work done on the property in the nature of repairs or improvements to the property; and will carry over from year to year: the value of the credit or offset to the Lessee to be determined by the actual cost

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of the material for the repairs or improvements to the Lessee and shall include payments made by the Lessee for repairs and improvements but shall not include payments made to the Lessee or his employees for labor. Lessee shall support all offsets claimed by submitting invoices to Lessor. If the amount of said offset cannot be agreed upon between the parties or their successors or assigns then the amount shall be determined by arbitration as provided by statutory provisions of the Revised Code of the State of Washington.

7. The parties agree, acknowledge and ratify the fact that John Hope and William Deilschneider jointly own the water rights to the above described real property. The parties further agree that Lessee, pursuant to separate written agreements has purchased the timber, rock and mining rights for said real property and also has purchased the right to operate a fish company or hatchery on said real property. The parties confirm and ratify said prior agreements, including those agreements recorded in Skamania County documents number 81062, 81063 and 81064 recorded in book 5, pages 605 - 615.

8. Lessor hereby grants Lessee the right and authority to improve and develop the above described property and to negotiate sub-leases for portions of the property, however, all sub-leases can be granted only with

the prior written approval of the Lessor. Lessor cannot unreasonably withhold approval of sub-leases negotiated by Lessee.

9. The parties agree that in the event the real property, or any portion of the property is sold, condemned by eminent domain proceedings by either federal or state authorities or otherwise unavailable to be used by the Lessee, any and all proceeds received from said sale or condemnation proceeding during the term of this lease agreement shall be used first to pay the costs and expenses incurred in connection with said proceeding and the balance shall be shared equally by the parties with Lessor receiving 50% of said proceeds and the Lessee receiving 50% of said proceeds.

10. In the event either party shall have a claim against the other for failure to perform pursuant to the terms of this agreement or enforcement of the terms of this agreement, the party making claim for enforcement or payment shall be entitled to reimbursement for costs and reasonable attorney's fees if said party is successful with its claim and all disputes involving this agreement shall be resolved by arbitration as provided by the Revised Code of the State of Washington.

11. In the event of termination of the lease for any reason, the reasonable value of the repairs or improvements made by the Lessee not previously paid for shall be paid to the Lessor at the termination of the lease.

Dated this _____ day of _____, 19____

11. In the event of the expiration or termination of the lease for any reason the Lessor agrees to pay to the Lessee the reasonable value, based on the Lessee's book value, of the repairs or improvements to the real property, to the extent not previously deducted as an offset to the annual payments. Said sum to be fully paid to Lessee within 180 days of the termination of the lease.

Dated this 14th day of May 1976.

W.J. SEUFERT LAND COMPANY, INC.

BY: William Diebschneider
William Diebschneider, President

Lessee:

John A. Hope
John A. Hope

Susan C. Hope
Susan C. Hope

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On this day personally appeared before me WILLIAM DIELSCHNEIDER, to me known to be the president of the corporation that executed the within and foregoing instrument, and acknowledge 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 was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

James H. Hays
Notary Public for Oregon
My commission expires Feb. 9, 1978

STATE OF OREGON)
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County of)

On this day personally appeared before me JOHN A. HOPE and SUSAN C. HOPE, to me known to be the individuals described in and who executed the 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 14th day of May, 1976.

James H. Hays
Notary Public for Oregon
My commission expires Feb. 9, 1978